

over

CONSTRUCTION

MARKET SUMMARY

BUSINESS
Equities rise 5.0; revival in gilts

EQUITIES recovered some ground after Monday's sharp setback, but trade was thin. The FT 30-Share Index rose 5.8 to 419.4.

GILTS also revived, long-dated stocks ending with rises to 1 and short-dated issues rising by up to 1.

STERLING slipped 15 points to close at \$1.7162. Its trade-weighted index was unchanged at 61.8.

TIN PRICES led a general decline in metal values in London, with continued selling by speculators.

WALL STREET was down 4.49 at 948.81 at 3 p.m.

U.S. TREASURY BILL rates at this week's auction: three-month 4.525 (4.345) per cent.

DR. HENRY KISSINGER, former U.S. Secretary of State, is to become chairman of the International Advisory Committee of Chase Manhattan Bank.

Summit talks on EEC steel plan

Sanjay, who was in this constituency, said he would withdraw from the do constructive work.

Government gains Holland

Five party coalition resigned last night. Jen Uyl, who leads the party, handed in his resignation.

Germans to AWACS

West German Minister, is to attend a meeting of Nato Defence Ministers in Brussels on Friday.

ors: police or action

Accredited call for the U.S. Air Force and Control to establish an effective procedure to deal with the growing number of aircraft accidents.

used of in Bristol

people, including four were remanded on bail in Magistrates Court yesterday in charges of fraud in connection with Highgate installation of a central heating system.

ch N-test

has carried out a power-plant nuclear test at the testing grounds, according to Tahiti newspapers.

gh Court awarded \$65,496 to an who lost his "remarkable" because of brain in a car crash.

Air Holidays accepted at thousands of pounds as costs in a settlement.

teal in southern Iran's make yesterday had risen last night.

er new rules on immigrant ages were announced in the House yesterday.

2F PRICE CHANGES YESTERDAY

as in peace unless otherwise indicated

FINANCIAL TIMES

Wednesday March 23 1977 ***12p

WIN OR LOSE, LABOUR WILL GIVE INCENTIVES TO MIDDLE-MANAGERS IN BUDGET

Deal with Liberals hangs in balance

BY RICHARD EVANS, LOBBY EDITOR

LIBERAL MPs still the key to the Government's survival, waited anxiously at Westminster last night for the Prime Minister to accept or reject their terms for support in to-night's Commons confidence vote.

All the signs were that Mr. Callaghan, having received what amounted to an ultimatum from Mr. David Steel for a written guarantee on continuing consultation, would take his time in replying in order to increase the tactical pressure on those Liberals he believes want a deal.

A faint glimmer of hope for the Government came with the decision of eight United Ulster Unionist MPs to adjourn their party meeting to seek more talks before the debate with Mr. Michael Foot, Leader of the Commons.

Although seven of the Unionist MPs are expected to vote for the Conservative censure motion, leaving only Mr. Enoch Powell supporting the Government, the move gave Ministers an outside chance of a more even split in the party.

It is still the case that unless Mr. Callaghan can reach an agreement with either the Liberals or the Unionists to vote for the Government or to abstain, the vote on to-night's night that he was willing to collaborate with other parties to keep his Government alive.

But if Mr. Callaghan can reach an accommodation with the Liberals it will be on the basis of continuing support for several months at least, and the political situation will be transformed.

THE VOTING LINE-UP
How the voting on the motion of no confidence stood last night, on the basis of the best available information:

Labour 307, Conservatives 276, Liberals 13, Scots Nats 11, Welsh Nats 3, United Ulster Unionists 13, Independent Ulster Unionists 2, SDLP (Fict) 1, Scots Labour Party 2, Independent 2, Irish (Maguire) 1, Speaker and non-voting chairmen 4, Seats vacant (Grimby, Steadford) 2, TOTAL 310, 301, 17, 435

Including one sick; † Mr. Reg Prentice and Mr. John Ryman; ‡ Mr. Enoch Powell; § Mr. Jim Sillars and Mr. John Robertson.

insisted that he had no fears about his Government's future and he promised that "normal service will be resumed pretty soon."

MPs were not prepared to read too much into Mr. Callaghan's remarkably confident performance, but Labour back-benchers appeared much less tense after the exchanges than they have since Mrs. Thatcher slapped down the censure motion last week.

Mr. Steel's letter, delivered to 10 Downing Street yesterday morning, demanded a written guarantee of detailed and continuing consultations on all major legislation brought forward by the Government.

The price Mr. Callaghan must pay for the 13 vital Liberal votes is a real say in how the Government is run for the remainder of the Parliament.

Callaghan promises tax cuts

BY RUPERT CORNWELL, LOBBY STAFF

CUTS IN taxation and new incentives for middle management will figure in the Budget that the Government intends to introduce next week whether it wins or loses tonight's all-important vote of confidence—the Prime Minister promised last night.

At the same time, he warned in the starkest terms that the abandonment of an incomes policy would throw open the doors to "millions of unemployed and raging inflation."

Phase Three of the Government's pay restraint strategy would take account of the powerful pressures building up over compressed wage differentials, he said. "But there's got nevertheless to be an overall agreement," he underlined.

The Prime Minister was speaking in a wide-ranging interview on BBC's Nationwide programme. After discussing the continuing efforts to secure a majority for the Government after to-day's debate, he gave a restrained but generally optimistic assessment of the state of the economy.

"Blatant" Whatever happened, Mr. Callaghan said, the Chancellor should in any case introduce a Budget. It was not something that had been devised in a week. The Government had been working on it for months and deserved the opportunity to show what could be done.

"I can see a reduction in taxation. I see no reason why we shouldn't say that this is what we can do if we are allowed the opportunity. Yes, there will be a lot of rewards for middle management."

The Prime Minister's determination to bring out the Budget even in defeat has been bitterly criticised by the Conservatives as blatant electioneering so, in a less obvious fashion, was last night's programme.

Mr. Callaghan leaned heavily on the paternal schoolmasterly style in which he is at his best. On inflation, he said that the Government was expecting a decline from the middle of this year extending into the first half of 1978. But, he warned in a swipe at the Conservatives, if economic policy changed and wage agreements were done away with, "the failure to achieve an earlier slowdown after the 'remarkable' co-operation in holding back wages was due to the drop in the £ he said."

Mr. Callaghan asked British industry to make sure it was producing the right goods to export, and pointed out that industrial inefficiency would inevitably make prices rise more rapidly.

He was at pains not to raise hopes unduly at the latest decline in unemployment — for the second successive month. The immediate prospects were uncertain, he said, and only if inflation was further reduced could the improvement continue.

Mr. Callaghan indicated again that he would make the problem of unemployment throughout the west a priority issue at both the EEC summit in Rome at the end of this week and in May at the Downing Street conference of leaders of the world's biggest industrial powers.

Turning to devolution, Mr. Callaghan expressly laid the blame for the failure of the Government's plans on the Conservatives. He would have liked to engage in all-party discussions before introducing the legislation, "but I know that if I had talked to the Conservatives I couldn't have got agreement with them."

Parliament, Page 16

Unemployment falls—but the outlook still looks bleak

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

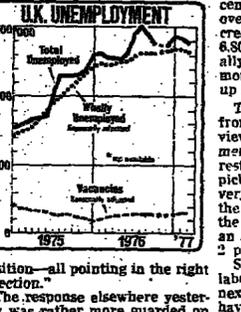
UNEMPLOYMENT has fallen for the second month, raising and vacancies have continued to rise. But the jobless outlook still appears bleak for the rest of the year.

The Department of Employment announced yesterday that the number of adults out of work in the U.K. had fallen by 10,800 to 1,326,000, seasonally adjusted, or 5.6 per cent of the labour force—in the four weeks to mid-March.

This is the largest monthly drop for nearly three and a-half years, and after the 6,800 decline reported last month, the three-monthly trend is pointing downwards for the first time since the start of the recession.

These figures were yesterday greeted as a "spring tonic" by Mr. Albert Booth, the Employment Secretary, who made one of his rare appearances at the Press briefing on unemployment.

Mr. Booth said that in February the Government had been a little cautious about showing any optimism since the monthly trend is pointing downwards for the first time since the start of the recession.



position—all pointing in the right direction. The response elsewhere yesterday was rather more guarded on the view that the fall may only be temporary because of the slow rate of economic growth and steady rise in the labour force.

There is, however, no dispute that the recent drop reflects in part the operation of the Government's various employment measures which Mr. Booth said yesterday were now "having a peak effect."

They are now estimated to be keeping open or creating more than 300,000 jobs and, in particular, seem to have reduced sharply the level of notified redundancies.

In addition, companies may have started increasing their demand for labour slightly after meeting the initial pick-up in jobless, total, the seasonally adjusted figure and the vacancies

cent reports of a marked rise in overtime hours and by the increase in notified vacancies—6,800 higher at 157,300, seasonally adjusted, over the last month, and more than a quarter up since last autumn.

This trend is at present far from conclusive and the general view is still that the unemployment outlook is gloomy for the rest of this year at least. The pick-up in employment has been very small so far according to the latest published figures and the economy is only growing at an annual rate of between 1 and 2 per cent.

So given a rise in the potential labour force of 300,000 over the next two years, most forecasters have been projecting a rise in unemployment to around 1.5m. by the end of 1977.

Last week's Bank of England quarterly bulletin pointed out that with productivity rising by perhaps 2 1/2 to 3 per cent a year in the long term, a sustained reduction in unemployment is not likely until output is growing steadily at an annual rate of at least 3 to 3 1/2 per cent.

As it is, the generally slower underlying growth in unemployment since last summer, compared with the winter of 1975-76, points to a lower rate of increase in productivity than in earlier last year.

Mr. Len Murray, the TUC general secretary, said yesterday he hoped this meant the end of the recession. "If so, it will be the best news for many months. The figures in no way, however, remove the need for the Budget next week to give a major boost to the economy."

The unadjusted total of unemployment in the U.K. fell by 38,048 to 1,384,000 in the month to mid-March with the number of school leavers out of work dropping by 8,191 to 33,641.

The totals of those temporarily stopped rose, however, by 25,546 to 46,914, between mid-February and mid-March, principally because of the British Leyland disputes.

Regional map, Page 8

For latest Share Index 'phone 01-246 8026

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Fresh bout of takeover activity

BY OUR CITY STAFF

A FRESH bout of takeover activity yesterday brought news of two new bids—worth between them about £27m.—and a revised offer from Babcock and Wilcox in its protracted struggle to gain control of crane manufacturers Herbert Morris.

INTERNATIONAL AND WALLIS
INTERNATIONAL STORES, the wholly-owned retail subsidiary of BAT Industries, gained control of supermarkets group F. J. Wallis last night, having earlier bought out Wallis family interests (amounting to 42 per cent of the equity) for 66p cash per share and extending the same offer to other shareholders.

International, which has 680 retail outlets compared with about 100 at Wallis, intends to "continue and develop the existing activities of Wallis including its warehousing and distribution centres."

PILKINGTON AND BARR & STROUD
PILKINGTON BROTHERS, whose fiercely contested bid for UKO International is due to be reported on shortly by the Monopolies Commission, has made an agreed £8m. bid for Barr and Stroud, the Scottish precision optical engineers. The market was clearly taken by surprise by the terms one Pilkington share plus 265p in cash which value each B and S share at 890p compared with only 170p ahead of the terms yesterday morning.

Accompanying the offer, which has been agreed with directors and family shareholders controlling about 60 per cent of the equity, are B and S results for 1976 which show a sharp recovery on pre-tax profits from £304,000 to £858,000.

BABCOCK AND MORRIS
THE STRUGGLE by Babcock and Wilcox to take over crane manufacturers Herbert Morris, in which it has a stake of more than 39 per cent, entered a new phase yesterday with a revised offer from Babcock of 206p cash per share. The news met with an immediate rebuttal from the Board of Herbert Morris which described the new Babcock offer as "unsatisfactory."

Morris has accompanied its statement with a dividend forecast of 30p net per share for the year ending October 30, 1977. Details of profits and assets for the current year are expected to be contained in a formal rejection document which will follow a study of the new Babcock terms.

The Herbert Morris share price moved ahead by 4p to 190p ahead of the news, which came after market hours. Babcock ended 2p higher at 79p.

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Even in the Annan's mouth

by CHRIS DUNKLEY

is a rather appalling irony? It lies in the fact that all those admirable suggestions are liable to remain just that—mere suggestions—either because the committees which have been set up to consider them choose to ignore them (handing the fourth channel over to commercial interests as has been practically promised already, for instance) or because a minority Labour government is incapable of finding the time, the will, or the money to act on any but the least significant of them, whereas the one really wasteful and silly idea—of a whole new channel in Wales, devoted to programmes in Welsh—is apparently going to come about anyway, Annan committee or no Annan committee.

Four weeks ago the Home Secretary, Merlyn Rees, confirmed Labour's commitment to a Welsh language channel, and with Celtic sensitivities looming so large in the reckonings of all political parties these days it seems highly unlikely that any other party will dare to gainsay it.

(Though goodness knows why, since in the real world of modern Wales the non-Welsh speaking majority would overwhelmingly reject a Welsh speaking channel in any referendum. Moreover, even the Welsh speakers in the Snowdonia area I know best would sooner have decent services on BBC1, BBC2 and ITV than a new ghetto channel in Welsh. Reality is not a strong point in this consideration, however.)

Regular readers of this column will find little to surprise them in the Annan report's treatment of current affairs programmes, which were the original subject of this article. Last March it was utterly absurd that one member of the committee had been asking and applause should not be accorded in any recording, wherever it was made, that the BBC should be doing rather badly in this complex at its most appalling part of the BBC's output, and

adds that "By and large we subscribe to the generally held view that... current affairs is more adventurous and interesting, which is, again, ironic because, although that view was justified a year ago, things have changed since."

A couple of weeks intensive monitoring of current affairs programmes now on top of a year of general viewing suggests, first, that BBC and ITV have, between them, improved noticeably in one of their hitherto weakest areas: the day to day and week to week reporting of foreign affairs.

Second, the evidence suggests that while BBC current affairs programmes in general have improved quite a lot in the last 12 months, there has been some backsliding in ITV with the result that it is now the BBC that has a slight edge.

Panorama has been having a good run recently, and Tonight seems to be on an even keel, but the key programme in both these considerations—foreign reporting and the BBC's new competitive edge—is *Newsday*, which is broadcast at 7.30 on BBC2 every weekday. Whether entirely

by design or (as I suspect) partly by serendipity, this programme is under editor John Tisdall has gathered unto itself some of the most sane, intelligent, and experienced reporting talent available in the BBC and is now by far the best daily programme available for anyone whose interest in the news is serious and long term rather than trivial and short term.

Michael Charlton who co-presents the programme with Charles Wheeler does have an unfortunate tendency (though presumably unintended) to sound as though he is speaking from a height mentally and physically six feet above his interviewee, but his enthusiasm for eliciting and communicating political facts is all that one could ask from a serious journalist, and he is, like that of all the other presenters on *Newsday*, is blessedly free of hopefully viable situations at this moment in time.

For me the most welcome part of the programme is one that I have for years been urging the BBC to institute: regular background reports from its own foreign correspondents. Last Tuesday's report on Berlin, combining history and politics with recent events, was a model of its sort.

ITV has no daily programme which can compete with *Newsday* ("How could it without the fourth channel? I know, I know") although *London Weekend's* *Weekend World* does continue to take a similarly broad and deep view of foreign affairs, as proved in recent Cyprus programme, for example. There is no denying that that was thorough and worthy, but it was also drier than dust and at times unpalatably didactic. In fact, the atmosphere of *Weekend World* generally has acquired a definite feel of Ruskin College about it, and it is time ITV lifted it out of its Sunday-morning desert and gave it an early evening slot on the network where it would be more accessible and, no doubt, would grow rather more lively.

Granada's *World In Action*, which more than any other pro-



Brian Cox, John Gielgud and Peter Needham in 'Julius Caesar', the National Theatre's production which opened last night at the Olivier

Euston Town Hall

Manson Ensemble

by DOMINIC GILL

This year the Camden Festival are offering three concerts of 20th-century music presented in association with the Park Lane Group, and performed by groups from the three principal colleges of music, the RAM, the RCM and the Guildhall. It was the turn on Monday evening of the excellent Manson Ensemble from the RAM to open the series.



Lord Annan Terry Kirk

Wimbledon Theatre

The Amazons

by B. A. YOUNG

We have lost the innocence that gave Pinero's farce its gaiety. Noeline, Wilhelmina and Thomasia brought up as boys by their mother, a sonless marchioness, look fascinating in their "gobshiny" caps and knickerbockers, but what are they but a trio of lesbians? They call one another "boys" and "old man" and "you fellows," and they scorn the attentions of men: their recreations are riding and fishing and shooting.

In Victorian days it was unthinkable that women might behave like that from preference, but nowadays such things are constantly discussed. Pinero makes matters worse by introducing a suitor to the eldest girl, Noeline who first encountered her when she was dressed in male attire; though he knows she was a girl he keeps referring to "that young fellow I picked up the other night."

There are suitors for the other two as well: the overbred twit Tweenways and the Anglophile Count de Grival, and the plot develops on the lines of *Lore's* *Labour Lost*, though without

Antwerp sculpture biennial

The 14th Biennial for sculpture will take place this summer in the Middelheimpark, Antwerp.

The exhibition will concentrate on contemporary sculpture from five East-European countries: Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary and Poland, of which Bulgaria and the German Democratic Republic are represented for the first time.

Shaw Extemporatory Dance Group

by CLEMENT CRISP

The Camden Music Festival is offering a week of performances devoted to the work of small Modern Dance groups. Opening the season on Monday was the Extemporatory Dance Group in the first of two programmes: five dancers in five works by five choreographers. It is all very modest, in manner as well as matter, and were it an appreciation evening in a work-shop performance I might feel more disposed to greet it as a slight effort in the right direction. But as part of a festival, on professional terms, it seems distinctly thin.

The opening *Ballad* by Ingegerd Lomroth proclaimed some links with a folk-tale about a murdered woman and child, but looked more like routine Modern dance exercises. *Warsongs* by Micha Bergsjö illustrated prison work songs with a certain pathos; Cathy Lewis's *More* may possibly have been about drug addiction, but a girl dressed up as a monkey, four other dancers clad in white, plus a white-painted pall and a good deal of sniffling, seemed to confuse the issue rather than clarify it.

Zoltan Inre's *Sesam* at least lived up to its title. There in-

Opera and ballet gala for KIDS

Next Sunday, March 27 at Elizabeth Harwood, Thomas Allen, Elizabeth Vaughan, Donald Macleary, Monica Mason, David Wall, Emile Belcourt, Michael Coleman, Derek Hammond Stroud, and many others. The English National Opera Orchestra will be conducted by Charles Mackerras, Philip Gammon, Mark Elder and Clive Timms and the pianist will be Errol Girdlestone.

Regiate Theatre Orfeo

by ELIZABETH FORBES

Operatic side of the Camden Music Festival opened on Monday at the Regiate Theatre with a performance of *Orfeo* given by Kent. Originally heard at the Festival, Roger Norrington's edition has been played in Opera's home country and our, but this is his first on hearing. The 20 instrumentalists, one for each line, are by Mr. Norrington in orchestra are balanced by the singers who between them do all the solo vocal roles. It is like many directors who to opera from the spoken word, Jonathan Miller tends under rather than over-

produce when confronted with music; the result in this particular case is entirely happy. His simple staging achieves a fluidity of movement that matches the fluidity of form characteristic of Monteverdi's musical tale. Sophistication is avoided, but there is no false naivety either. Bernard Cullshaw's designs, based on four paintings by Daniel Lang stylistically inspired by Poussin, are equally uncomplicated although they do evoke a pastoral convention more self-conscious in its view of nature. The singers who have by now digested the Monteverdian style to the point that they can begin to sound spontaneous, aid and abet Mr. Norrington in his search for a natural, vital form of expression while as conductor he assists them in making their phrasing a logical extension not only of the vocal line but also of the text — Anne Ridler's splendid English version of the Striggio libretto is used. In the same way the relationship between conductor and instrumentalists allows for expressive variations on both sides.

Peter Knapp sings Orfeo with a wide spectrum of tone colour, but does not romanticise the words. In the scene where he tries to persuade Charon to let him cross the Styx he uses the vocal decorations to indicate the emotional turmoil and despair of the character, but again keeps inside classical proportions while movingly suggesting Orfeo's grief. Rosalind Ploverright is excellent as the Messenger who describes the death of Euripides (Jean Ternerley) and Kenneth Frances makes a suitable large, serious Charon. But the whole essence of this production, musical and dramatically, lies in its devoted ensemble.

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EUROPEAN NEWS

Italian trade unions call general strike in Rome

BY PAUL BETTS ROME, March 22

WHILE THE immediate prospect of a Government crisis in Italy over the conditions laid down by the International Monetary Fund (IMF) for a further drawing of \$530m. seems to have been temporarily averted, Italy's three main trade union confederations have called a general strike in Rome and its region to-morrow which is expected to paralyse the capital.

The unions are opposing the Government's proposal, already implemented by decree law, of "sterilising" the effect of new indirect taxation on the cost-of-living basket in which threshold payments are calculated. The unions claim that the measure, introduced to offset the cost of transferring part of the heavy social welfare contributions from employers to the Treasury, directly interferes with the so-called "sacred" threshold payments system.

The Italian Prime Minister, Sig. Giulio Andreotti, however, pointed out yesterday to representatives of Italy's leading political parties which are indirectly supporting his minority Christian Democrat Government through a policy of abstention in Parliament, that the measure is directly linked to the IMF's precondition for a new loan of a limit of 16 per cent. this year in the means on how to reach the Italian labour costs and of 15 per cent. in the country's inflation rate.

Investment

Sig. Berlinguer said to-day in an interview in the party paper "Unita" that the Communist party, although extremely worried by Italy's high indebtedness, was not prejudiced against securing new loans when these proved essential to support and develop the country's economy and restore its financial structures. "Of course creditors are entitled to receive guarantees," Sig. Berlinguer said, "but as to limit of 16 per cent. this year in the means on how to reach the Italian labour costs and of 15 per cent. in the country's inflation rate, we believe this to be solely the task of the Italian Parliament."

Prisoners freed under Spanish amnesty

More than 60 prisoners, including some jailed for political offences, have been freed in Madrid under amnesty measures decreed last week, sources at Carabanchel Prison said yesterday. Reuter reports from Madrid.

The amnesty extended one granted by King Juan Carlos last July and was expected to enable most of Spain's estimated 200 political prisoners to go free.

All political prisoners except those directly involved in murder or causing bodily harm are to be released. Those directly involved have had their sentences reduced by 12 years. The measures also covered common criminals who had their sentences cut by a quarter.

The amnesty was intended to cool the climate for general elections in June.

Kadar in E. Berlin

Mr. Janos Kadar, the First Secretary of the Hungarian Communist Party, arrived in East Berlin yesterday on an official visit to East Germany, UPI reports. Hungarian sources said earlier in Budapest that Mr. Kadar was anxious to make a gesture to East Germany at this time, since he is planning to visit West Germany in July.

Yugoslav deficit

Yugoslavia's trade deficit broadened to Dinars 3,589bn. (\$198m.) in February from Dinars 3,5bn. (\$190m.) from a year earlier, the Statistics Bureau reported, according to AP-DJ. Exports in February totalled Dinars 6,478m. up 43 per cent. from a year earlier. Imports were listed at Dinars 10,067bn. up 25 per cent. from a year earlier.

Uncomfortable perch on the fence

As Mr. Kosygin, the Soviet leader, visits Helsinki, William Dulforce describes Finland's position

THE SOVIET Prime Minister, Mr. Alexei Kosygin, arrived in Helsinki yesterday on a five-day "friendship" visit. Formally he is there to inaugurate the first Soviet-built nuclear power plant in Finland and to discuss a 15-year trade agreement together with other bilateral economic issues. But in any high-level Soviet-Finnish exchange a political issue of "horizontal" character and the Finnish President, Mr. Urho Kekkonen, is worried.

On the bilateral side it is difficult to see much cause for Mr. Kekkonen's concern. Relations between the two countries have been stable and calm and since the Finns managed to step up deliveries to meet the increased cost of oil imports from the Soviet Union, economic co-operation is working to mutual advantage. The Russians asked for the "friendship" label to be attached to Mr. Kosygin's visit to distinguish it from an official or a private visit—but also, it can be assumed, as a reference to the 1948 Treaty of Friendship, Co-operation and Mutual Assistance, which forms the basis of Soviet-Finnish relations.

Yet in February Mr. Kekkonen chose the opening of the Finnish Parliament to warn against the idea that detente in world politics could "give a new profile to Finnish foreign policy." On Thursday he authorised the Social Democratic Press to publish remarks he had made in a closed meeting with veteran Social Democratic politicians about the growing military strength of the German Federal Republic which is capable of changing the strategic situation. He also claimed that pressure within Norway by Nato supporters and the Right wing Press was promoting hatred against the Soviet Union.

Berlin crisis on Soviet-Finnish relations. Ostensibly because of a Nato decision to set up a Baltic command, the Russians then called for consultations on defence measures as provided for in the first two articles of the 1948 treaty, which specifically mentions Germany. The Russian demand was warded off only after a dramatic flight to Novosibirsk by President Kekkonen for a personal meeting with the Soviet Premier.

Neutrality is also the third possible. Finland. The operation and Security signed in Helsinki was interpreted as a Finnish neutrality, or a "non-aligned" status, or a "non-aligned" status, or a "non-aligned" status.

President Kekkonen's talks with Mr. X in the 1975 Geneva Conference, have led for the Finns to an European Security Conference. The security of Soviet-Finnish relations loom all the larger. The Finns have little influence on the softening of the Russians to the Belgrade Conference from the SALT talks between Washington.

Mr. Kekkonen is being judiciously sensitive to the political situation in Europe. Nevertheless, keeping an eye on the hammer, he is not overlooking the possibility of a pan-European conference to curb pan-European aims in northern Europe. The wider process of Europe.

Mr. Kekkonen



Danish wages pact inside 6% guidelines

BY HILARY BARNES COPENHAGEN, March 22

THE AGREEMENT between the Danish TUC and the employers' federation on a new two-year collective wage contract provides for an increase in the total wage bill of about 2 per cent. a year plus about 4 per cent. in the form of an automatic cost of living adjustments. This calculation, however, does not include wage drift, which over the past 12 months has amounted to between 3 and 4 per cent.



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In Europe, we've managed a Eurobond issue that raised \$50,000,000 for Britain's largest bank and we are a leader in Eurobond financing for U.S. and international issuers. Well-managed assets We have the capability to manage financing of this magnitude in part because we have well-managed and extensive resources. For example, Merrill Lynch has no long-term debt. And our working capital is invested to facilitate normal business—not to speculate for our own account. Along with this financial stability, we offer unmatched international placing power.

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Aegean exercises continue

GREEK AND Turkish naval and air force units continued separate exercises in different parts of the Aegean to-day. Greece had protested the Turkish manoeuvres would hamper navigation and air traffic, but no incidents were reported and tension has eased. An authoritative source said Turkish naval units complied with international regulations and carried out their manoeuvres in prearranged areas without adversely affecting sea and air traffic. The Turks are holding their manoeuvres in the eastern Aegean, inside Turkish and international waters. The Greek manoeuvres are in the western Aegean, mostly inside Greek waters. Olympic Airways pilots began a 48-hour strike early to-day, forcing cancellation of several domestic and international flights. The pilots' association said it called the strike to demonstrate its opposition to the airline's present administration. The Government took the airline over from the late shipping tycoon, Aristotle Onassis, two years ago. A spokesman for the airline called the strike illegal and said the pilots had no demands to support. Airline sources said the strike was called because the Government refused to appoint a pilot, Mr. Emmanouel Gakidis, as general manager of the company. Mr. Gakidis is president of the pilots' association. The union representing the 8,500 Olympic employees, the Federation of Civil Aviation Unions, opposed the strike. Agencies

Soviet poet issues plea

MOSCOW, March 22. Soviet poet Vladimir Kornilov to-day appealed to three leading American novelists to withdraw their support from a meeting of writers in Bulgaria to discuss the role of literature in spreading the spirit of Helsinki. Mr. Kornilov, 48, who was expelled from the official Soviet Writers' Union at the week-end and described as a traitor and renegade for publishing some of his works in the West, addressed his appeal to John Updike, John Cheever and Erskine Caldwell, who were among signatories of a letter published last week in the Union's weekly Literary Gazette calling on writers from Europe, the U.S. and Canada to support the June conference. Reuter

Europe unity fund scheme

BRUSSELS, March 22. THE SETTING UP of a European foundation to promote the idea of a united Europe through youth exchange programmes and cultural and information activities, is to be called for by Mr. Roy Jenkins, the Brussels Commission President, at the EEC summit in Rome later this week. Mr. Jenkins will be taking up an idea first proposed by Mr. Leo Tindemans, the Belgian Prime Minister.

To the Editors of THE FINANCIAL TIMES, London, 22nd March 1977. Notice is hereby given that after April 1, 1977, the share of the Trust in the assets of the Trust Company of New York, Inc. shall be 50% of the net assets of the Trust Company of New York, Inc. as determined in accordance with the terms of the Trust Agreement. The amount of such dividend shall be paid to the Trust Company of New York, Inc. in accordance with the terms of the Trust Agreement. The amount of such dividend shall be paid to the Trust Company of New York, Inc. in accordance with the terms of the Trust Agreement. The amount of such dividend shall be paid to the Trust Company of New York, Inc. in accordance with the terms of the Trust Agreement.

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Handwritten note: J.P. ...

Major French unions threaten attack on irre austerity plan

VID CURRY

PARIS, March 22

The biggest French unions and the government have both agreed to push the Premier, whose position in the local elections was defeated in a new attack on the austerity programme of M. Barre, the Prime Minister. Both men believe that they can push the Premier, whose position in the local elections was defeated in a new attack on the austerity programme of M. Barre, the Prime Minister.

The unions are threatening to refuse to sign any contract for 1977, and hard bargaining is expected in the Paris transport system.

At the heart of these disputes is the Government's refusal to honour the clause in State wage agreements guaranteeing a real income rise higher than the increase in cost of living—a refusal which provoked scattered strikes around the turn of the year.

ISS recovery 'unlikely'

DEBERT MAUTHNER

PARIS, March 22

THE SWISS ECONOMY is unlikely to recover significantly from the recession which began in 1975. The growth of exports and slack domestic demand, according to the annual report on Switzerland published by the OECD Secretariat in 1976, Switzerland is almost to a complete halt.

Unemployment will probably increase by nearly 8 per cent in 1977. Prices and wages, on the other hand, might increase at a slightly faster pace, mainly because of the rise in oil prices.

DAVIGNON'S EEC STEEL PLAN

BY ROY HODSON

Blueprint for an industry facing turmoil

IT IS a measure of the turmoil in the international steel business, and the political importance that steel's troubles are assuming inside the European Community, that the heads of state of the Nine will be asked at their Rome summit on Friday solemnly to consider the prices of reinforcing bars.

Reinforcing bars have become a symbol of the malaise. They are easily made by any country with a steel industry, however rudimentary. They are being shipped round the world in quantities upsetting traditional markets. In Britain and Europe demand for reinforcing bars has fallen to about half the expected level while imports are embarrassingly high.

Although the Davignon steel proposals dwell upon achieving rationalisation in European steel-making, neither the private sector nor the public sector of British steel-making is likely to be changed. The reason is that in Britain, a radical re-shaping of the steel industry has been under way, in fits and starts, for the last ten years since nationalisation of the 14 major steelmakers.

Bonn resignation, two cheers in Paris, Belgian welcome

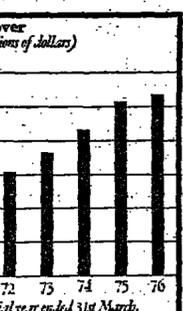
BONN: In contrast to Britain, France and Italy, West Germany's steel industry has remained in private hands, and largely untouched by Government intervention, writes Adrian Dicks, Feins-Salzgitter, whose stock is 100 per cent owned by the Federal Government.

The industry's fortunes vary widely between product lines and between companies. In any case preparing its own plan to bail out the French steel industry, Paris is likely to regard talk about more stringent control over state aids with suspicion.

BRUSSELS: Both Government and industry are expected to welcome M. Davignon's EEC initiative, writes David Buchan. It fits in well with their own plan agreed earlier this month, indeed M. Davignon's officials actually sat in on meetings between Belgian steel employers, unions and Ministers.

The Belgian plan calls for a standstill on new investment, on redundancies and on any changes in the financial structure of the steel companies until the end of the year. In the meantime, the Government is to commission a major study of the country's future as a steel-maker.

The big expansion of coastal steel-making in Britain is to be accompanied by the closure of old and uneconomic works. The year-by-year timing of the closures is still a matter for argument, but the strategy is clear enough.



Powered by real investment muscle. The end of muscle a single company shouldn't develop on its own. All this has paid off in profit, which is not a dirty word - profit is that which prevents a company going to the government for a handout. And profit is what's creating wealth, work, and work opportunities with 17 factories, and 23,000 employees in 15 European countries; six major plants and over 6,600 employees in the UK alone.

There's nothing like growing for growth.

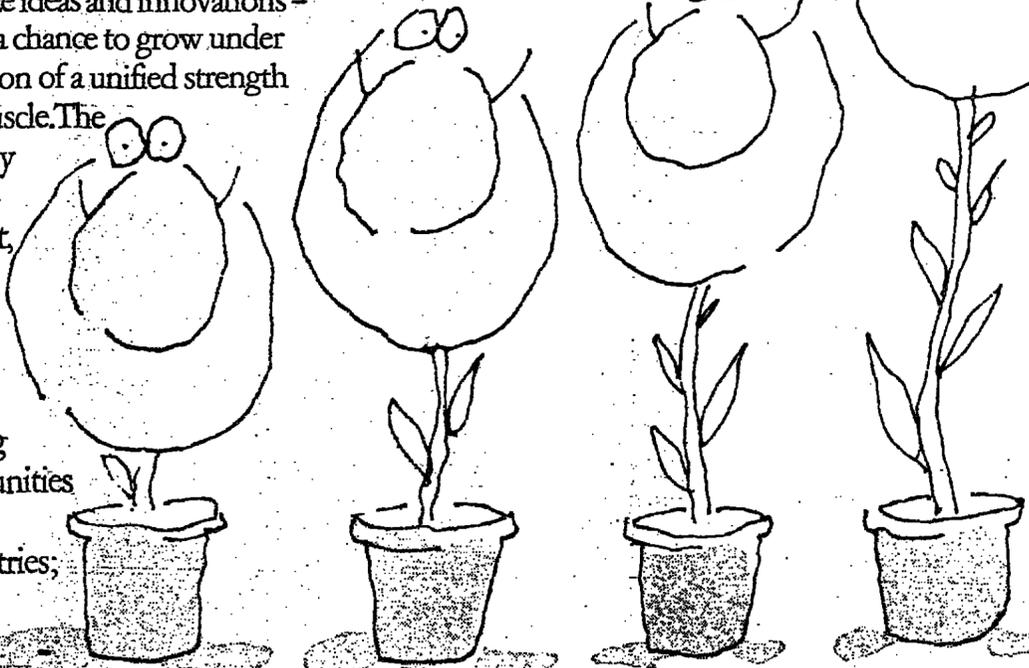
One thing you can't do in business is remain static. You can expand or shrink, depending upon your attitude to life and reserves of get up and go. If all your get up and go has got up and gone there's much hope for you.

On the other hand if your idea of growing is to puff yourself up like the proverbial bullfrog - well there's not a lot of future in that either. We like to think we've done rather well in the growing stakes - creating a Corporate Entity able to cross-fertilize ideas and innovations - offering all a chance to grow under the protection of a unified strength

In a nutshell - Sperry Sperry is a Corporate Entity comprising six successful divisions: Sperry, Sperry Flight Systems, Sperry Univac, Sperry New Holland, Sperry Vickers, Sperry Remington.

If you think we can help you, or you'd like to know more about us, just tick the appropriate box, or boxes, in the coupon provided and post to us at the given address.

If you've a particular enquiry which the boxes don't cover, drop us a line, we'll be pleased to help.



SPERRY UNIVAC. Principal Computer Products. Electronic, digital, computer systems for commercial and defence applications; data communications terminals and displays; magnetic disc storage and magnetic drum storage units; magnetic tape units; optical reading devices; computer printers; punched card readers; punches and verifiers; automated supermarket checkout systems.

Principal Office Products. Automated storage and retrieval equipment, cabinets, electronic calculators, electromechanical filing units, filing systems, safes, typewriters, visible record equipment.

SPERRY. Principal Guidance and Control System Products. Radar and sonar systems; surface and missile fire control systems; mine countermeasures; anti-submarine warfare systems; navigation and guidance systems; submarine instrumentation systems; marine gyrocompasses; ship stabilizers and controls; collision-avoidance systems; systems management and logistics support services; gyro-magnetic aircraft compass systems and components; electronic flight control and stabilization systems; aircraft navigation and air data instrument systems; specialised air data computers; spacecraft electronics/computer interface modules; aircraft instrument monitoring systems; flight data recorders.

SPERRY NEW HOLLAND. Principal Agricultural Products. Automatic bale wagons, bale throwers, combines, conveyors, forage harvesters, forage blowers, grinder-mixers, mowers, mower-conditioners, parts dryers, rakes, self-unloading wagons, spreaders, hay balers, bale movers and conveyors, utility loaders, wagons, windrowers.

SPERRY VICKERS. Principal Hydraulic and Pneumatic Products. Hydraulic vane, piston and gear pumps; valves; servo valves and systems; power packages; adjustable speed drives; control assemblies; filters; power steering systems; vane, piston, gear and high torque low-speed motors; hydraulic pumps, motors and other special aerospace products; magnetic particle brakes and clutches; power take-offs; gear reducers; winches; pneumatic valves and systems; general purpose solenoid and soluble oil valves.

SPERRY REMINGTON. Principal Consumer Products. Electric shavers, hair stylers and dryers, coffee-makers, clocks.

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SPERRY RAND CORPORATION
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AMERICAN NEWS

Gov. Carey appears to ease opposition to Concorde

MR. HUGH CAREY, the Governor of New York state, appears to have deliberately moderated his long standing personal opposition to Concorde and, by doing so, has raised fresh hopes that the European-built supersonic aircraft will eventually be allowed into New York's John F. Kennedy Airport.

President says Japan must play greater role in world affairs

MR. JIMMY CARTER, the U.S. President, proposed last night that Japan should become a permanent member of the UN Security Council.

Fed may ease monetary curbs

DR. ARTHUR BURNS, chairman of the Federal Reserve, today reiterated his conviction that the proposed Carter economic stimulus package is unnecessary, but said the FED will probably allow a temporary increase in the money supply while the proposed tax rebates are working their way through the economy.

Mondale unveils new voting plan

THE CARTER Administration today proposed a set of far-reaching changes in the way that Americans vote in national elections.

Carter criticised in Chile

IN AN ROBERT speech, the Chilean Air Force Commander and member of the military junta, Gen. Gustavo Leigh, has warned Mr. Jimmy Carter, the U.S. President, that the Latin American nations are not anybody's 'field of play'.

Alcoa will increase ingot prices

ALUMINUM Corporation of America, the country's largest aluminium producer, has announced price increases of 5.8 per cent on its ingot products, to take effect from Friday.

OVERSEAS NEWS

Kissinger to join Chase as adviser

DR. HENRY KISSINGER, the U.S. Secretary of State under President Nixon and Ford, is to become chairman of the International Advisory Committee of Chase Manhattan, America's third largest commercial bank.

Synthetic oil development urged for U.S.

MR. HERMAN KAHN, the Institute's director, said in London last night that an ambitious programme to liquefy coal and oil shale could not only meet U.S. medium-term energy needs but could also give stability to world oil supply and demand.

Dollar falls under Y280

JAPAN'S currency gained new strength today when the U.S. dollar traded between highs and lows on the Tokyo market of January.

Yen reaches three-year high

JAPAN'S currency gained new strength today when the U.S. dollar traded between highs and lows on the Tokyo market of January.

Pakistan general strike call

PAKISTAN'S opposition leaders poll, in which Prime Minister National Assembly on March 22.

Red Sea summit

Somali President Siad Barre has decided to come here for the four-country Red Sea security summit conference, which opened yesterday, according to North Yemeni President Ibrahim al-Hamzawi.

David Housego, Asia Correspondent, appraises the nature of Mrs. Gandhi's defeat

She accepted the verdict—though given the enormity of her defeat, she had little choice. But at least she probably had the conviction that the dictatorship was the right answer to India's problems.

K. K. Sharma assesses the contenders for India's Prime Minister

Ram: a national following

MR. JAGJIVAN RAM, 68, has an uncanny sense of timing that has helped him to a political longevity unprecedented in India.

Desai: the third try at 81

FOR THE puritanical Mr. Morarji Desai, chairman of the triumphant Janata Party, this is the third attempt to become Prime Minister of India.



Mr. Jagjivan Ram

Born in the small town of Arrah in Bihar state in 1907, the poor Harijan parents, Mr. Ram made up his mind during his undergraduate days in Patna that his political future lay in articulating the demands of the Harijans.

Podgornj arrives in Tanzania

SOVIET President Leonid Brezhnev's aide, Podgornj, arrived in Tanzania today to begin his mission to defuse the situation in Rhodesia.

Authors want N.Y. publish

Leading book publisher says it will not publish a book by a former Soviet spy because of its author's past.

Malaysia killings

Communist killer squads have assassinated at least five people in peninsular Malaysia since the beginning of the year in what is seen as a new wave of assassinations.

ON OTHER PAGES

International Company News

Sony first quarter sales up 25% over last year. Bayer upsurge continues. Farming and Raw Materials. Israel citrus exports halt.

Vertical text on the right edge of the page, including 'of sh' and 'by'.

JP... 50

WORLD TRADE NEWS

30-year

criticism of shipping protection by U.S.

By Alan Darby... condemnation of the two trading nations of a Russian trends towards 40-40 percentage basis...

Kuwait in Kenana sugar talks

By Alan Darby... KHARTOUM, March 22. THE Khartoum based Kenana Sugar Company...

Vickers wins £20m. order for Mark III battle tank

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT... VICKERS HAS won an export order worth over £20m. for more than 40 of its Mark III Main Battle Tanks...

Better Soviet trade balance confirmed by currency figures

BY DAVID LASCELLES... THE improvement in the Soviet trade balance with the hard currency area is confirmed by figures published in Moscow this week...

Caracas sales top \$11m.

BY JOSEPH MANN... CARACAS, March 22. SALES AT the British industrial exhibition in Caracas have thus far reached over \$11m...

Bulgarian missions visit Britain

BY MARGARET HUGHES... TWO BULGARIAN trade delegations are in Britain this week to discuss trade opportunities...

Westinghouse radar contracts for Europe

Westinghouse Electric said it has secured contracts valued at \$100m. to four European companies for construction of the radar system...

Burmese offices

Burma plans to open trade offices in seven European and Asian cities next month...

Qatar contract

Flat Termoneca-Nucleaire Turbogas, the energy subsidiary of the Turin-based group, announced that it has been awarded a \$8.5m. contract...

Krupp in S. Korea

The Polysius Group, a unit of Fried. Krupp, has received an order valued at DM50m. for delivery of a rotating furnace...

Cancelled

Ishii Heavy Industries said it has been informed that the Japanese Government has cancelled an order for a rotating furnace...

Agreement

Egypt and Syria have signed a long-term trade and agreements which will force from 1977 to 1980...

Cancelled

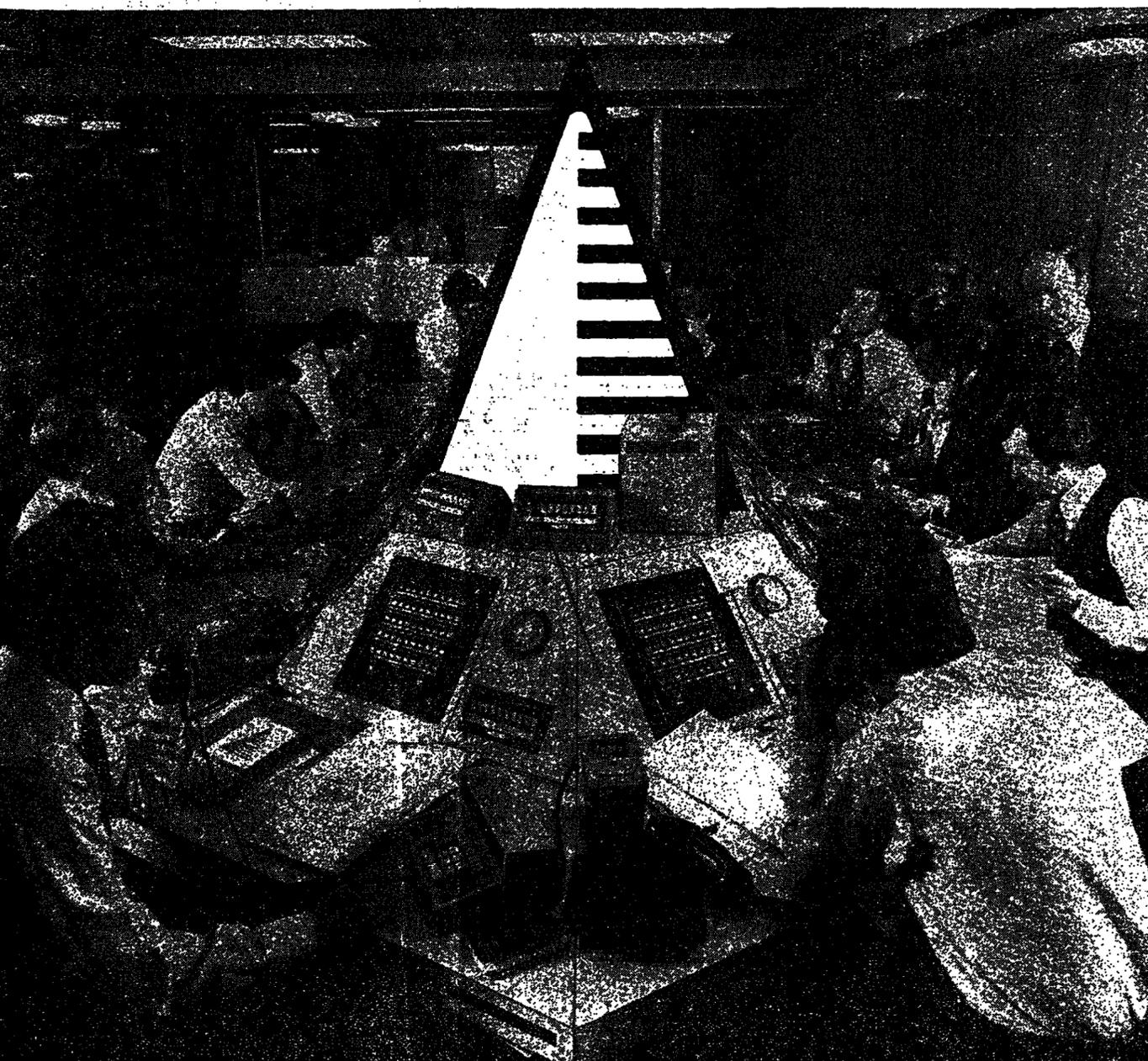
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Cancelled

Ishii Heavy Industries said it has been informed that the Japanese Government has cancelled an order for a rotating furnace...



abitat to open in U.S.

AT THE U.K.-based furniture group is to open up stores in the United States... The first, in New York, of 40,000 square feet in the new year...

Cyprus to boost U.K. sales of sherry and wine

NICOSIA, March 22. Cyprus Government is to an intensive promotion in the U.K. for the island's sherry and wine products...

bidjan textiles exhibition

BY RHYS DAVID, TEXTILES CORRESPONDENT... SECOND major textiles and up production of cotton in recent years and the Continent claims to account for some 12 per cent. of total world cotton production...

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HOME NEWS

Talks on Plessey co-operative

A MINISTER will meet three of the leaders of the work-in at Plessey's threatened Kirkby factory today to discuss the possibility of public money being made available to help establish a workers' co-operative.

Change in charity's aid policy

THE WELLCOME Trust has abandoned its policy of supporting specific medical research objectives in favour of one of choosing projects from the range of applications submitted.

Co-op merger will be put to congress

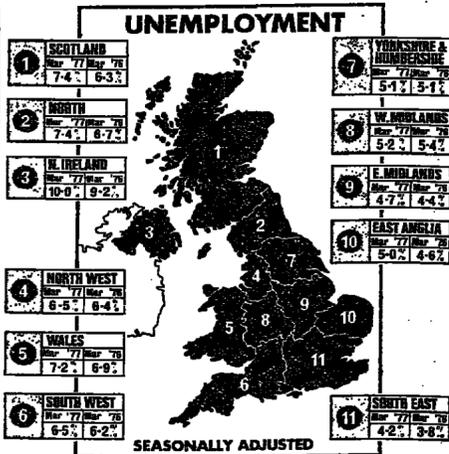
BY STUART ALEXANDER

PLANS FOR the merger of the Co-operative Union and the Co-operative Wholesale Society were announced yesterday, and will now be put to the Co-operative Congress—the movement's annual parliament—at Blackpool in May.

Pilot plant to develop liquid coal

By David Fishlock, Science Editor

A PILOT PLANT for turning coal into a liquid by a process invented by scientists with the National Coal Board, is expected to be operating at the Board's Stoke Orchard Laboratories this spring.



THE 17,100 fall in the U.K. adult unemployment total over the last two months, on a seasonally adjusted basis, has marked wide regional variations, with a slight reversion to the normal pattern of regional differences.

BR to improve high speed service

BY IAN HARGREAVES, INDUSTRIAL STAFF

BRITISH RAIL is to improve a number of its services in May. Further, journey times will not suffer from speed restrictions imposed as a result of the railways' cash squeeze.

Northern plan will create 8,000 jobs a year in 1980s

BY KEVIN DONE, INDUSTRIAL STAFF

A STRATEGIC plan for the Northern Region, which if implemented could create some 8,000 new jobs a year during the 1980s, was published yesterday by the Northern Region Strategy Team.

Radio 4 will cut To-day in shake-up

BY ARTHUR SANDLES

BBC RADIO 4's news and current affairs shake-up, which will mean a new 30-minute news broadcast each evening but cuts in the morning Today programme and in The World Tonight was officially revealed yesterday.

Scrap steel men make export plea

BY ROY HODSON

MERCHANTS APPEALED to the Government yesterday to permit them to export scrap steel during the international steel slump.

Union claims low shops pay subsidises prices

BY MICHAEL BLANDEN

A SHARP critique of the wages about the role that family allowances and an argument about the impact that increased pay levels would have on consumer prices.

Harland studies barge structures

BY OUR BELFAST CORRESPONDENT

HARLAND and Wolff of Belfast will investigate the possibility of building a variety of barge structures as an effort to state of redundancies.

IMPERIAL GROUP LIMITED

Extracts from the statement by Mr. John Pile, Chairman, at the Annual General Meeting held in London on 22nd March 1977

PROFITS AND INVESTMENT The increase in Group profit before tax from £106.8 million to £129.6 million, a rise of 21.3%, was no bad performance in a year so full of gloom in British industry.

PRICE CONTROL With our considerable continuing success in the market place we would normally have expected to provide this new investment out of cash flow.



Mr. John Pile, Chairman, Imperial Group Limited

MANAGERS Disillusionment is widespread amongst managers at all levels. They feel undervalued, and they are. The management of our Group is second to none: those of us who have visited companies and business schools in other countries can testify to that.

SMOKING AND HEALTH I am pleased to be able to say that our Tobacco Division, together with the rest of the UK industry, has continued to have a good working relationship with the Department of Health and Social Security.

PROSPECTS FOR THE CURRENT YEAR Unless some blow is struck at us - perhaps in next week's Budget - we expect the half year results to show some slight advance over the corresponding period of the previous year - and this despite artificially high sales in that latter period following the change in the tobacco duty structure.

management, well able to adapt our companies if necessary to changing times. In the past I have referred to the advantage gained by a Group of our kind from the fact that if one Division or Unit is suffering some special difficulty this will normally be counterbalanced by improved results elsewhere.

Consolidated Results in Brief table with columns for 1976 and 1975, and rows for Group Sales, Profit, Taxation, Balance Sheets, and Key Statistics.

Part-funding of Beryl Field costs £29m.

By Ray Daffer, Energy Correspondent NORTH SEA INC, the U.K. subsidiary of Texas Eastern, has announced a £50m. financing agreement to help fund its share of the costs of developing the Beryl Field.

SNOW REPORTS

Table of snow reports for various regions including Scotland, Northern Ireland, Wales, and the South of England, with columns for snow depth and weather conditions.

"WE ARE WELL POISED FOR INCREASED SUCCESS IN 1978 AND BEYOND"

Handwritten signature or mark at the bottom of the page.

Handwritten signature or mark in a box.

The Midland Group gives us a feeling of confidence, of knowing we'll get the support we need"

-Ted Williams, Chairman, Arnold E. Williams & Sons Ltd.

The story of Arnold E. Williams tells how a small family company has produced an internationally successful brand, Falstaff silver-plated tableware, with support, advice and guidance from Midland Bank Group.

Managing Director John Williams says: "After the war we were trying to find gaps in the export market for our silver-plated giftware. The bank helped us in two ways: simple overdraft facility, £25,000-£50,000, when we needed to build-up stocks, but mainly with advice in aspects of exporting, an entirely new venture for us." Ted Williams, his brother and company chairman, agrees: "Suddenly to find your major customers are in Los Angeles or New York is a major departure for a small firm like ours. There were questions like credit ratings of our new overseas customers."

for a few wholesale customers, but now we had many hundreds of retail customers who all expected us to hold stocks"

Says brother John: "We needed more financial help than ever, not only for stocking-up but for plant as well."

Medium-term loans for new plant came from Forward Trust, the instalment finance company in Midland Bank Group.

"Forward Trust are still helping us enormously to this day," says Ted Williams. "They're top of our list in the money markets. They've always given us the best deals."

"Turn-over up ten times"

New machinery is at the heart of the growth of the Falstaff brand. In 1972, Midland Bank helped



Ted Williams, Chairman (right), and his brother John Williams, Managing Director (left).

Improved our cash-flow"

The Williams brothers rely on Midland Bank International Division for valuable advice - and not only in handling foreign currency and documentation.



Each half of the hinged lid on a Falstaff silver-plated jug is identically numbered to ensure a perfect match.

Says John: "They've actually improved our cash-flow by suggesting we discount our bills through the ECGD."

"Our export sales team travels nine months of the year, selling Falstaff abroad. Midland helps us find gaps, they start us off with contacts in new markets."

"We're also glad they introduced us to Thomas Cook, whose business travel service we now use."

"In fact, the way the Midland's International branch manager takes an interest in our comparatively small company is very impressive."

"Forward Trust has given us the best deals"

The Midland helped, too, when the Williams brothers decided to create their own retail distribution network for Falstaff at home.

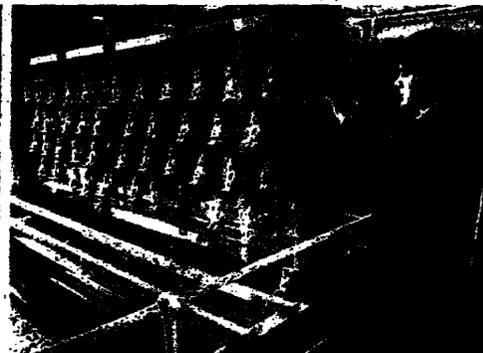
Says Ted Williams: "We had been producing to order



The solderer adjusts his flame.



Falstaff silver-plated money-boxes in quality control.



Falstaff products about to plunge into one of the biggest automated silver-plating plants in Europe.

finance a fully-automated silver-plating plant. More recently it's been a new press, then an automatic polishing plant.

"As soon as we amortize the cost of one or two," says John, "we've got three more coming in."

"Our turn-over has multiplied ten times in the last ten years."

"Help in the future"

The company's account has been at the same Birmingham branch of Midland Bank since 1919-

both brothers have personal accounts at the Midland, too - and they know the Midland will be there when it comes to help in the future.

"We have built our relationship with the Midland over the years. This is important when a small family firm starts to grow. With Midland Bank Group there's a feeling of mutual confidence - of knowing we'll get the support we need."

The companies that make up Midland Bank Group can help your company in many different ways. Their services include facilities for term loans, leasing, hire-purchase, merchant banking, equity capital for growth companies, international insurance broking and

advisory services, international and export finance, travel, factoring, investment management, and trust services. Also, for very large companies, Midland's Corporate Finance Division has a select team that can work directly with the company to make the best possible use of the wide range of Group services.

Talk to your local Midland manager - he can put you in touch with all the right people.



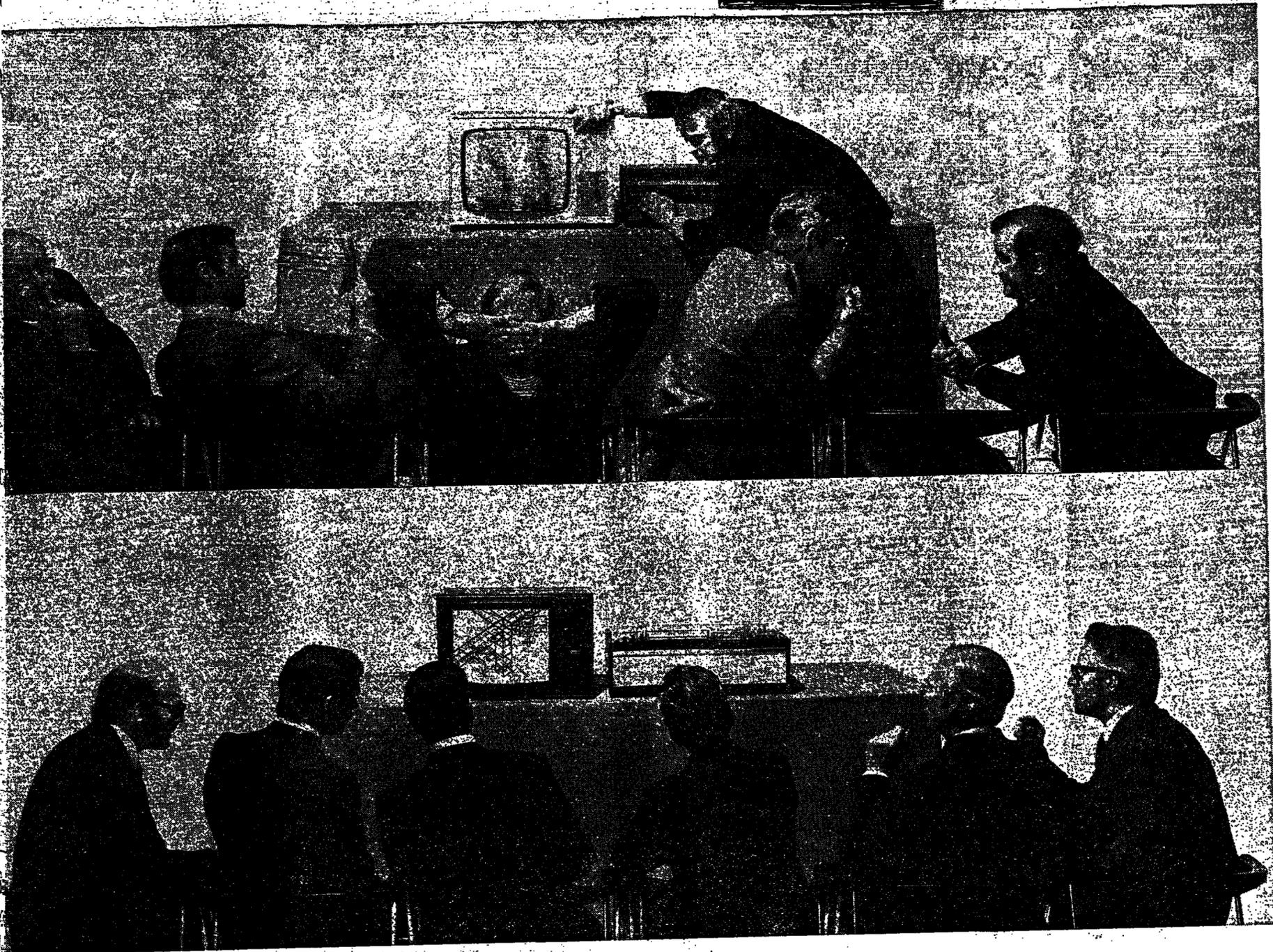
Three-arm candelabra from the Falstaff "Candlelight" series.



Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Ltd, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Finance Corporation Limited, Northern Bank Trust Corporation Limited, Midland Bank Trust any Limited, Midland Bank Group Unit Trust Managers Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Overseas Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Guyerzeller Zuercher Bank AG, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited, London American Finance Corporation Limited, British Overseas Engineering & Credit Company Limited, Drake (UK) International Limited, Drake America Corporation, Export Credit Corporation.

JP Martin Ltd



The difference between the top picture and the bottom picture could be only a few hundred pounds.

"So now gentlemen, if you're all ready, we will give you our recorded presentation of next year's plans." Click. Whirrrrrrr-bzzzzz. Click. Bzzzzz. Click. Bzzzzz. Click. Click.

"Er, sorry gentlemen. A slight technical fault." Click. Bzzzzzzzzz. Click.

"The engineer won't keep us long, gentlemen."

If you have an unreliable videocassette machine, the above situation will be quite familiar.

It's embarrassing for you, for your company and your company's clients. Which is why we'd like to tell you about the Sony U-Matic videocassette machine.

One word describes the main advantage the U-Matic has over similar machines.

Trustworthiness.

The U-Matic has an incredible reliability record. And so it should have. It's well-built, well-designed, by people who know all there is to know about

videocassettes.

(Sony invented the U-matic system, which has been adopted by other manufacturers throughout the world)

It's so reliable, that one shipping company we know has just replaced a whole shipload of other machines, used for showing programmes to the crew, with a fleet of Sony U-Matics.

Of course, this kind of reliability isn't cheap. The U-Matic costs two or three hundred pounds more than some other machines.

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And astonishingly, our cassettes are considerably cheaper to buy. A few hundred cassettes will save you over a thousand pounds.

When you think about these advantages, the extra you pay for a Sony U-Matic starts to look like a real investment.

Especially when the other benefit you get just can't have a price put on it.

The comforting thought that you can go into a big presentation with the U-Matic and come out again without a red face. **SONY**

To: Sony (UK) Ltd., Commercial and Industrial Division, Pyrene House, Sunbury Cross, Sunbury-on-Thames. Telephone: Sunbury 89581. Please tell me more about the U-Matic.

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FINANCIAL TIMES REPORT

Wednesday March 23 1977

Cumbria

Cumbria is blessed with a thriving tourist industry and a steadily successful agricultural sector. But to balance the local economy, more investment is needed in the county's already well diversified manufacturing industry.

County with three faces

"IT'S BIGGER than you think," says one of Cumbria's tourist brochures. It is just this fact about the county, England's second largest and one of its least populous, that its planners are presently trying to emphasise. For too long, they feel, Cumbria has been identified with the Lake District, and yet this makes up only a third of the county's 2,200 square miles. Nor is tourism the biggest revenue earner; it comes second to agriculture, with the county's determined and optimistic industrial sector in third place.

The county of Cumbria—the name comes from the Celtic word "Cymru" meaning "fellow countrymen"—was created in the local government re-organisation of 1974. It is made up of the former counties of Cumberland and Westmorland, together with the Carlisle and Furness districts of Lancashire and the Sedburgh part of the West Riding of Yorkshire (which gives the county a chunk of the Yorkshire Dales National Park).

The largest single party in Cumbria's 82-strong County Council is Labour with 33 seats,

but the county is controlled by the Alliance Group consisting of the 31 Conservatives and 12 Independents. With several of the Independents due to stand as Conservative candidates in the County Council elections in May, it is a reasonable prediction that Cumbria will then be recorded as a Conservative gain.

Political argument, in general, however, seems to be subservient to the need to produce a county that works; and this in spite of the large distances that many of its councillors and officers have to travel to conduct their business. Council meetings are held at four centres in different areas of the county, and Peter Naylor, Chairman of the County Council, points out that this gives members a chance to see what is happening in other parts of the county as well as giving the public the opportunity to view local government in action. The public, however, to judge from its attendance record, is as indifferent as in other parts of the county.

A tour of Cumbria leads you through as wide a variety of physical environment and economic activity as any in England: from the capital, Carlisle, with its splendid 12th century cathedral and a local economy based on a diverse range of manufacturing and commerce, you can travel south-west to the market town of Cockermouth, birthplace of William and Dorothy Wordsworth, and on to the industrial ports of Workington and Whitehaven, both making a fair shot at living through difficult times. Travel down the coast—much of it a very attractive coast—and you come to

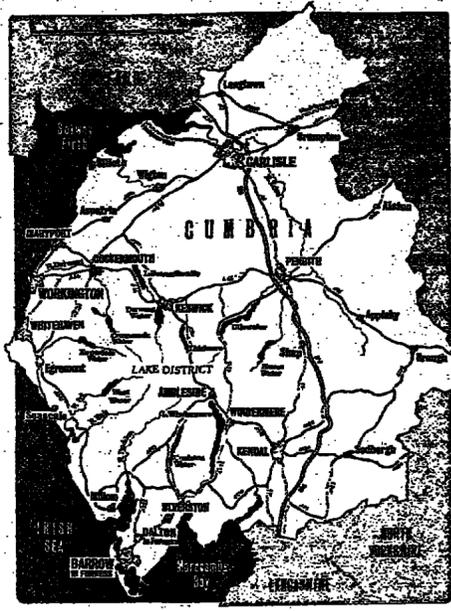
Millom, a pleasantly situated town whose former prosperity based on iron and steel has deserted it and which, partly because of its physical isolation, is feeling the draught of recession more strongly than the rest of the county. Further south lie Ulverston, Dalton-in-Furness and Barrow-in-Furness, the latter's economy based firmly, on the giant Vickers shipbuilding,

This Report was written by Colin Inman

engineering and offshore concern.

To the east lies Kendal, which apart from lending its name to the mint cake that has accompanied intrepid explorers to many distant and dangerous parts of the world, manages to combine industrial and commercial activity—it houses the headquarters of both K-Shoes and Provincial Insurance—with its role as a gateway to the Lake District. Ten miles away is Windermere, biggest of the Lake District tourist centres, but if you drive north-east from Kendal you join the M6, which leads via Penrith back to Carlisle (and, if you wish, on to Scotland).

These are the main centres, but the visitor to Cumbria can also find a multitude of attractive villages and towns—as well as a few thoroughly unattractive ones, testimony to the power of the pit owners (coal was one of the planks of the



area's prosperity) who could build what they liked where they liked. And there are the lakes with the hills towering above them, their winding roads a natural magnet for thousands of visitors' cars in summer, while the lakes themselves are equally crowded with boats. Apart from large areas of the fertile agricultural land and

associated with the £300m nuclear fuel reprocessing plant that the company wants to build up one of Cumbria's main dilemmas. The county's industry was built up in the 19th century and was based on iron ore and coal. As local resources were used up—only one coal mine remains in operation in the county—the inconveniences of the industrial coastal strip's isolation from its main markets became apparent. Decline followed. Without work (unemployment figures in the 1920s and 1930s reached enormous proportions) many people moved away, a process that has only recently been halted as Cumbria's industry has rebuilt itself.

The need today is for a balanced industrial sector that can keep the school leaver within the county without sending him off to Merseyside, the North East or even London in search of work. And here, the 1,000-odd jobs that would be created if British Nuclear Fuels' plans go through, are a powerful lever.

The first stage of the three-part planning application was approved by the County for anyone wishing to set up Council's Planning Committee three weeks ago, and it seems likely that the remainder of the plans will be given the go-ahead, although doubts remain about the safety of some of the processes involved.

The Laboratory of the Government Chemist is also due to move to Cumbria, probably to a site at Cockermouth as part of the Government's dispersal plans for civil service

Initially it is estimated that between 50 and 100 jobs would be locally created. But there is considerable opposition to the proposed move from the trades unions involved and a final decision is not expected for some while.

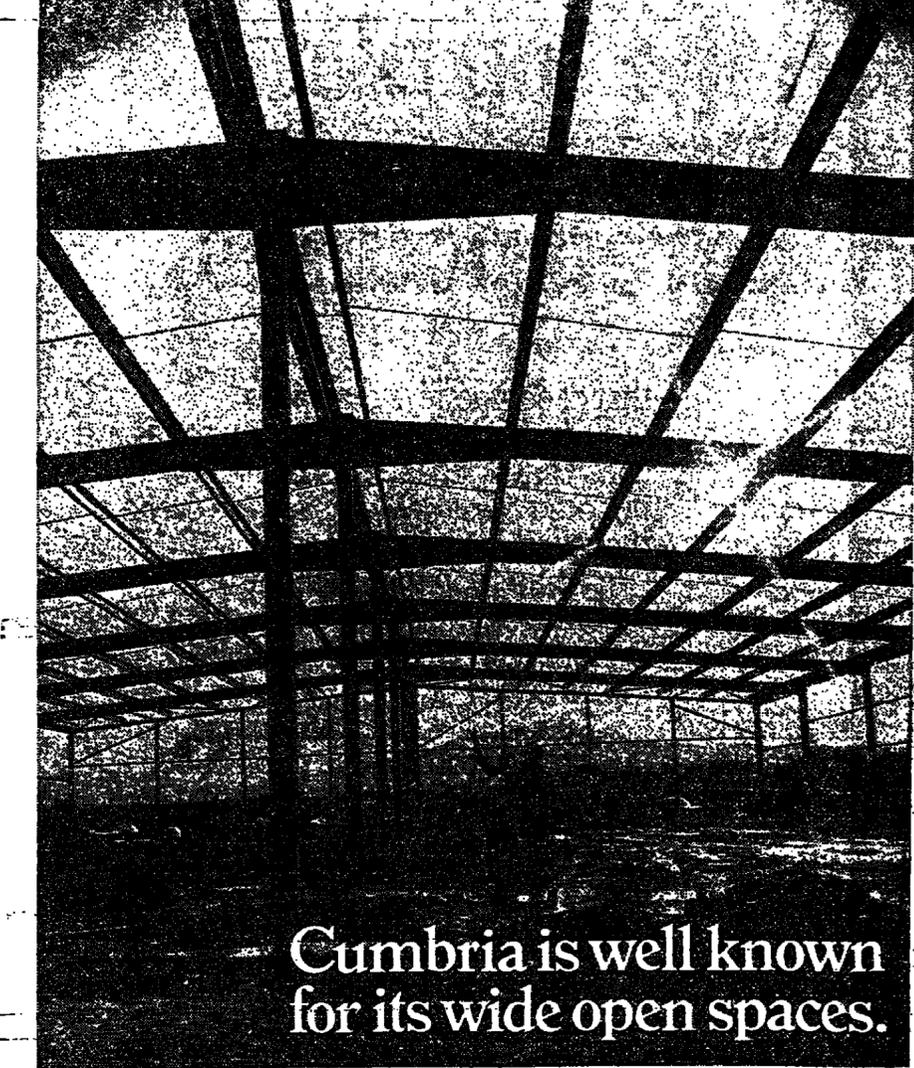
Although this sort of job creation is vital, it does not solve all the problems of the county—the inconveniences of the industrial coastal strip's isolation from its main markets became apparent. Decline followed. Without work (unemployment figures in the 1920s and 1930s reached enormous proportions) many people moved away, a process that has only recently been halted as Cumbria's industry has rebuilt itself.

Where Cumbria does score in its efforts to attract industry is in the incentives available. The whole county is a Development Area, the western coastal strip a Special Development Area; approved by the County for anyone wishing to set up Council's Planning Committee three weeks ago, and it seems likely that the remainder of the plans will be given the go-ahead, although doubts remain about the safety of some of the processes involved.

Industrial land is easily available and cheap, either around the ports or on several industrial estates; the area's labour record is generally good; and the county's road system is improving fast. But the level of inquiries at present is, perhaps not surprisingly, low, and remain so until the form of economic Cumbria's biggest earner, agriculture, is being quietly success affected than much of the country by drought; its main present is that the policy may lead to the beef herds; driving milk production by making it profitable for them to be a pretty good.

A growing number are supplementing it by letting rooms to who continue to Cumbria, particularly in summer, gestation is getting to problem since most cars cannot be parked out of their cars; to extend the season, and late and to holidaymaker that has more to offer lakes. One way roads have gone towards solving the lems, but the town is just one of those more investment.

Several of the pit when I visited recently were those who had moved area. All agreed would not now will to where the air wa the houses more ex rates higher, the more hectic. Not more can command such



Cumbria is well known for its wide open spaces.

Industrial Cumbria can offer new, ready-built factories now. Rents are reasonable with a possible two-year rent-free period.

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Government aid comes in the form of maximum development grants, loans or interest relief grants (cash payments to offset the cost of commercial borrowing), 100% first-year tax relief on new machinery and plant, removal grants (up to 80%), worker training schemes, and help with removal expenses for transferred workers.

A local labour force is ready and waiting—and keen to learn new skills. Many of Britain's leading companies know just how much this Cumbrian co-operation means to them. Electricity is available throughout the area and most of the County has natural gas. Water in Cumbria is amongst the least expensive in Britain and supplies are of first-rate quality.

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Geoffrey Burrows, Industrial Development Officer, Cumbria County Council, The Courts, Carlisle, Cumbria, CA2 8LZ.

Cumbria

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at the heart of nuclear power



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CUMBRIA II

Handwritten signature or initials in a box.

Industry works to rebuild

IA IS an industrial says Mr. Peter Naylor, of the County Council. And indeed one of the county's main preoccupations in recent years has been the rebuilding of its touring sector, particularly that part of it situated on the coast.

Decline of coal and iron mining and of the industries which depend on these resources, and the migration that followed, left the area in a state of neglect. It was the future of Cumbria that attracted as wide a range of views as possible. It is to provide a choice of employment and to prevent a dependence on industry in a particular

policy that has met with success. The county houses of manufacturing from fishing to shoemaking, biscuits to confectionery, should be sufficient to any recurrence of the years of the 1920s and

Barrow-in-Furness has been the focus of concern for over 100 years. The shipyard side of the company to specialise in high-tech warships. The first nuclear powered submarine and the first British armed nuclear submarine. An Invincible Class anti-aircraft cruiser is under construction at present, side by side with one of the submarines designed to destroy Vickers that its prosperity is closely linked to defence. But in spite of recent cuts, the company is to adequately fill jobs up to 1980. After 10 years.

ering

ly 5,000 of the total Vickers employees work in engineering plant, which produces a variety of armaments. Both are suffering from a shortage of skilled labour—the latter, 1976, issue of the newspaper Link reported vacancies, particularly in electrical, structural and pipe fabrication. This is a continuing problem in spite of the constructive training policy.



The port at Workington.

Further up the coast is the Windscale plant of British Nuclear Fuels, whose present workforce of around 4,000 is likely to grow by 25 per cent. by the early 1980s if the company's plans for the reprocessing of nuclear fuel are approved. Several hundred jobs would also be provided in the contracting work necessary for constructing the new plant.

Albright and Wilson's detergents and chemicals group, a few miles north near Whitehaven, is another big employer, with a workforce of around 2,000. The group, which was set up in its present form a year ago, makes phosphoric acid and its derivatives, including sodium tripolyphosphate, which is an essential ingredient of all detergent powders. New capacity installed last year makes the Marchon Works the biggest single site producer of this substance in the world. The company's shareholders will have been pleased by the announcement a few weeks ago of a record before-tax profit of £31.6m. for 1976.

Among the other bigger concerns in the county are Courtaulds, British Steel Corporation, Leyland, Pirelli, Glaxo and Bowater-Scott, as well as the National Coal Board, which is planning a big expansion of open-cast mining in the county. Many are branches of bigger concerns and Mr. Naylor is in no doubt that, while there is a warm welcome for all, what the county wants most of all is to house a company's headquarters. Branches, he points out, are much easier to close down. K-Shoes and Provincial Insurance, both in Kendal, are good examples of what he has in

mind. Overall the picture is not too depressing. Outward migration has been stemmed, and the county can expect to benefit from its status as a Development Area or a Special Development Area which entitles incoming firms to grants, selective financial assistance, removal grants, rent-free periods, etc. And there is plenty of choice of sites, decisions on which are made easier by the fact that the county's traditional isolation is no longer the barrier it once was. The building of M6 has put the county in touch with

both south and north, while improvement of the A66 from Workington east through Keswick and Penrith and across the Pennines to the east coast is being carried out under the Government trunk road scheme. The County Council took over the Port of Workington from the British Steel Corporation two years ago, and it is now being run as a commercial general cargo port. The only deep water port with cargo handling facilities between the Mersey and the Clyde, it can take vessels up to 10,000 tons

dwt. The port is coming close to breaking even on its operations, which suggests that it is filling a gap in Cumbria's services.

One other gap that does remain, however, is that the area has no airport that links in with the national and international network. There is a small airport at Crosby, east of Carlisle, and Vickers has its own airfield on Walney Island, Barrow, but that is all.

Housing

And one further structural problem that has to be solved is housing. There is no doubt that Cumbria can accommodate physically everyone who wants to move there—it has a population density of only 0.28 persons per acre and is one of the country's least populated areas—but when they arrive they have to be housed, and the limited amount of building going on at present suggests that this will become a major problem, especially since the housing market in Cumbria as a whole is distorted by the presence within the county of the Lake District National Park where prices are artificially high and where, much to the annoyance of the local population, there is an active second homes market. It has been suggested that one day Cumbria might have to set up a two-tier housing market similar to that operated in the Channel Islands.

To say that Cumbria needs industrial growth is to state the obvious; so does almost every county in the U.K. What is necessary is that the conditions are created in which this growth can occur in healthier economic times. Cumbria seems to be well on the way towards doing just that.

If proof were needed of the county's determination to keep things in perspective, one can point to the deliberate creation of a limited number of cottage industries within the Lake District itself to provide alternative employment opportunities; and it was announced last week that an attempt was being made to bring Force Crag mine near Keswick back into operation, to produce, as it did between 1848 and 1966, lead, zinc and barytes.

Too popular for comfort

NOT LONG AGO someone calculated that the Lake District was within a three-hour drive of 14m. people, and Cumbria's tourist authorities are horrified by the thought that one fine summer day they may all decide to turn up at the same time.

Joking apart, the Lake District in the high season is a bit too popular for comfort. Not that one can blame people for wanting to visit this beautiful area, as they have been doing for the past 200 years. Within its 800-odd square miles lie England's highest mountains and deepest lakes as well as some of its most spectacular views. You can walk all day on the fells and hardly meet a soul, you can go sailing, fishing, or even grass skiing; you can visit the homes of Wordsworth, Ruskin, and Beatrix Potter; you can watch or take part in a variety of lakeland sports; or, if you wish, you can sit by the roadside and quietly choke to death from the fumes of the cars that pass you nose to tail because their occupants are too idle to get out and use their own feet.

Around 70 per cent. of visitors to the area admit to doing most of their sightseeing from a car, and it is a surfeit of cars that is causing furrowed brows in the County Planning Department. One-way schemes can go some way to sorting things out, though even they cannot prevent a build-up of traffic in towns such as Kendal; similar schemes on some of the narrower lanes have proved fairly successful, though attempts to close roads entirely to traffic meet with a hostile response from local residents.

Hidden

So the Cumbria Tourist Board has two messages for holiday-makers: try to come in the early part of the season or late; and visit some of the other parts of Cumbria. Around Silloth, for example, where much of the coast has been designated an area of outstanding natural beauty. Or the part of the Yorkshire Dales National Park around Sedburgh that lies within Cumbria. Or the Pennines to the east of the M6. Or, if you are interested in Britain's industrial history, explore the riches that lie hidden in the industrial towns and villages. Whitehaven, especially, has a rich store of such things, the whole town being a mixture of good planning and bad, of good architecture and appalling. While in the area, the Sir Nicholas Sakers Theatre at Rosehill is also worth a visit. And within the county you can also find a stretch of Hadrian's Wall, Roman and pre-Norman ruins, as well as an assortment of castles, some of them dating from the 12th century.

April or October is another, and many of the hotels offer concessions out of high season. Attracting conference business would be a way of keeping the hotel rooms full during a longer season, but the county has nowhere that can handle a really large gathering. This, and the absence of one or two top-class hotels, are deficiencies that can only be solved by investment.

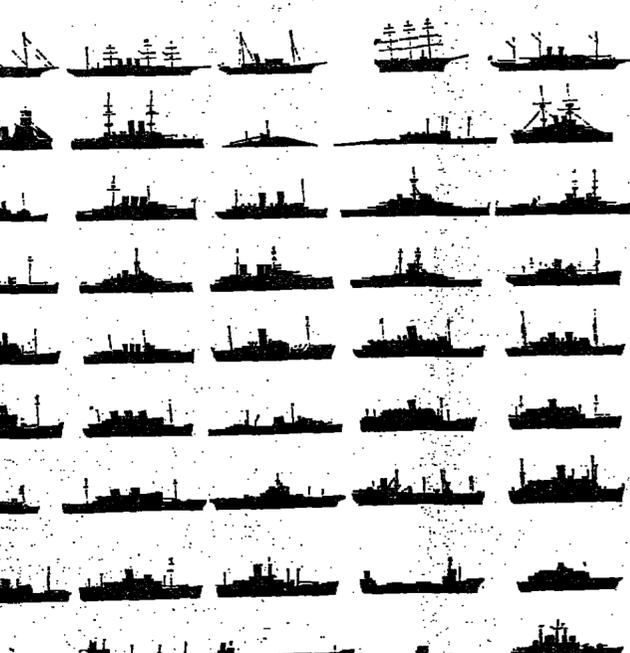
Investment

No one can complain that investment has not been made in the county's main roads, particularly by the building of the M6, but the tourist authorities make three points about its presence: first that visitors tend to turn left from the motorway rather than right, to the Lake District rather than to the attractive part of the county that lies to the east; second, that some of them tend to drive straight through without stopping at all; and third, that the M6 makes the county easily accessible to day trippers, who tend to bring their own food and drink and not to spend much money in the area.

There has been a steady increase in the demand for self-catering holidays in Cumbria during recent years, no doubt as a product of the economic climate, and an even greater increase in the number of caravanners and campers. Caravanners are a problem in that their owners are reluctant to book in advance and then clog the roads up by looking for somewhere to park, although more sites are constantly being provided.

Property is another matter. Artificially high prices, in the Lake District especially, are being created by the high returns available by letting property and by the propensity of outsiders to buy up week-end retreats in the area. This reduces the stock of properties available, upsets the native Cumbrians and forces up prices: a two-bedroom bungalow with a 26-foot frontage on Lake Windermere is currently on offer at £57,000, while elsewhere in the Lake District prices are well up to the levels current in South-East England.

There is no easy answer to the second homes problem short of strict controls on owning such property, and it is not, of course, a problem peculiar to the Lake District. But it makes for a bleak prospect for the young married couple in Keswick who cannot afford to buy a house and have to move away.



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One thing to be a great shipbuilder, but hard to make profits as well. Year in, year out, since the 1890s Vickers have famous ships of every conceivable kind and their profitability. We built the first submarine to go into service the Royal Navy before the turn of the century, the first British nuclear submarine in the 60s. We built the first all-welded passenger liner and the biggest liner ever built in England.

We built Europe's first 100,000 ton tanker and the first liquid petroleum gas carrier, and we are now currently building Invincible, the Royal Navy's first anti-submarine Warfare cruiser. Just a few examples from Vickers long record of shipbuilding achievement. The Shipbuilding Group has a consistent record of profitability. Today its yard at Barrow is busy, and export orders have long held a significant place in the order book. Whatever the future may hold, the accent is on continuity and growth.



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Recent expansion makes Albright & Wilson's Marchon works the largest single-site producer in the world of sodium tripolyphosphate - a basic ingredient for powder detergents. Capital spending over the past 3 years amounts to over \$5 million, covering extensions to the sulphuric acid and sodium tripolyphosphate manufacturing facilities, and the construction of a plant to produce purified phosphoric acid by a new process. Growth is continuing at this works, which currently employs over 2000 people. Exports play an important part in our activities in Whitehaven - over a third of the output from the Marchon works is sold overseas, through a network of associated companies, offices and agents in all five continents of the world. Albright & Wilson in Whitehaven - a force for British industry.

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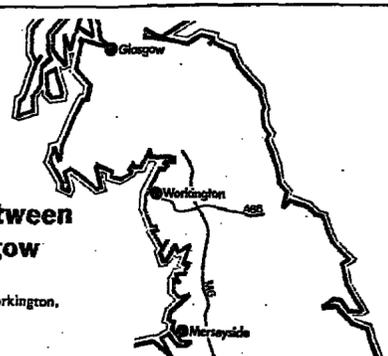
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LABOUR NEWS

Unions still tough, Tories warned

BY DAVID CHURCHILL, LABOUR STAFF

A WARNING to the Conservative Party not to believe the trade union movement had "gone soft"...



Mr. Bernard Dix... "we have not gone soft"

are just put there for us to rally" He was echoing many smaller unions' feelings that any new agreement on pay policy should take account of criticisms of the social contract.

Employment Department denies pay limit breach

By Our Labour Correspondent

THE DEPARTMENT of Employment last night dismissed as sensational and inaccurate a claim that London Transport had broken the Stage One incomes policy limit of £6 for its busmen and Underground railmen.

Vauxhall's women inspectors win 'red circle' claim

By Alan Pike, Labour Staff

A VICTORY in the Employment Appeal Tribunal for two female inspectors at Vauxhall Motors was greeted yesterday as one of the most significant legal decisions in favour of women since the passing of the Equal Pay Act.

ACAS and Grunwick recognises union

By Our Labour Staff

THE ADVISORY Conciliation and Arbitration Service yesterday made a landmark decision to recognise the International Union of Electrical Workers as the bargaining agent for the staff of Grunwick Laboratories.

U.S. \$175,000,000 EUROPEAN INVESTMENT BANK. U.S. \$75,000,000 8% U.S. Dollar Bearer Bonds of 1977/1984. U.S. \$50,000,000 8 1/4% U.S. Dollar Bearer Bonds of 1977/1987. U.S. \$50,000,000 8 3/4% U.S. Dollar Bearer Bonds of 1977/1992. Deutsche Bank, Amsterdam-Rotterdam Bank N.V., Banca Commerciale Italiana, etc.

Not intended. Mr. Justice Phillips, president, allowing an appeal by the two women against an industrial tribunal decision that they did not qualify for equal pay, said that before the Act came into force...

Rail warning over pay. IMPROVEMENTS to sick pay offered yesterday to British Rail's three unions should pave the way for final settlement of this year's wage deal on April 25, the National Union of Railwaymen said.

Pay talks warning. The Council of Bank Staff Associations and the Federation of Professional Officers' Associations have asked the Chancellor to include them in discussions on pay policy, giving a warning that their members will reject fresh wage controls unless they correct anomalies.

Union rebuked. A union which recruited 17 workers at Linton Lodge, an Oxford hotel, where former England players have been on strike for 17 weeks, has been rebuked by the TUC. It was told the General said...

Bonus pledge. The general secretary of the General and Municipal Workers' Union met shop stewards yesterday in an official dispute there.

Farm workers' £50. Average earnings of agricultural workers in England and Wales reached £50 for 48 hours a week, the Agriculture Ministry said.

IN BRIEF. Newspaper row: new move. THE Advisory Conciliation and Arbitration Service put proposals to journalists on the evening of Tuesday, March 22, in an effort to resolve a dispute in its 18th week.

APPOINTMENTS A. M. Hodge is Standard Life chair

Mr. Thomas N. Risk, chairman of STANDARD LIFE ASSURANCE COMPANY, has vacated that office after eight years but remains a director. He is succeeded by Mr. A. M. Hodge, former director since 1965. Mr. Desmond Missetbrook, who joined the Board in 1970, has been appointed deputy chairman. Mr. Missetbrook is chairman of Anderson Strathclyde and of the Livingston Development Corporation. Ian R. Pitman, who has retired after 30 years as a director, served as vice-chairman from 1960 to 1963 and as chairman from 1963 to 1966.

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Handwritten note: J.P. ...

Technical Page

BY ARTHUR BENNETT AND TED SCHOETERS

● AGRICULTURE

Plants get the right dose

HARDLY a crop-spraying season goes past without reports of accidents through misuse or, simply, wind-drift taking the frequently potent chemicals used in agricultural sprays far away from their targets and on to the clothes, vehicles or gardens of members of the public who then, justifiably, protest with vigour.

Drift and danger from it could become a thing of the past if a programme for electrostatic crop spraying under study at Sheffield has been carried out for some time, based on the techniques developed over a period of years in electrostatic paint spraying, can be brought to a successful conclusion.

National Research Development Corporation and the University of Sheffield, who are collaborating in this study, provide clear evidence that there is a substantial improvement in deposition on plants with electrostatic methods compared with conventional spray systems.

This is most encouraging, as pesticides and selective weed-killers and fungicides are not cheap and any means of reducing wastage and ensuring that dosage to plants is more accurate will be generally welcomed.

Environmentalists and, presumably, those city workers fortunate enough to live deep in the country will also welcome the news.

Further field trials have been set up for the spring and summer of the current year. More information from NRDC, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL, 01-828 3400, attention Mr. Peter Thompson.

● TRANSPORT

Putting a puffer under the bonnet

ALTHOUGH the steam car, when ever mentioned nowadays, tends to be considered by many as something of a joke, there are strong reasons why some move should be made in Britain — paralleling efforts in the U.S. — to develop lightweight prime movers which use steam as the power transfer medium.

One of the reasons, and a potent one, is the increasing gloom in the predictions of fuel companies as to the probable patterns of world supply and demand over the next decade.

Somewhat similar in concept to the hydrostatic motors developed and promoted worldwide by the National Engineering Laboratory is the Halford-Allen steam engine, a design which has been available for years but one in which interest is reviving.

The compact unit has three, five or seven coaxial cylinders the reciprocating movement from which is translated into rotary movement through a swash plate.

The device could best be described as a disc set at an angle on an axle so that when the latter rotates, the disc "wobbles". Pistons and their thrust ends are so arranged as to coincide with the various positions of the disc as it wobbles and thus smoothly transfer thrust through the disc to the drive axle.

Because this is a steam engine, very high torque is available from the lowest rpm and the car needs neither clutch nor

● ENERGY

Energy stored

PRIMARY results from work at the low energy, autonomous, house built by the National Centre, alternative Technology at Leth, must be of interest to householders and office managers feeling the pinch of the energy price only fair to say, however, house embodies design features that would be hard, possible, to follow post-war in the national reserve. Nevertheless, the house has established with a doubt the vast importance of proper attention to the advantages of recovery within the cycle.

The structure differs from all that has gone in the width of the between the leaves of the wall. It is 18 inches thick and is filled with fibre insulating material, the thickness of insulating under the floor and in

● DATA PROCESSING

Optimising structural designs

SCICON Consultancy is to write a software package which will be able to optimise the design of complex structures, such as airframes, bridges, transmission towers and so on.

Royal Aircraft Establishment, Farnborough, Hampshire, has asked Scicon to undertake this work, the first phase of which is to produce outline specifications and a set of working programs which will form the basis of the final structural optimisation program. This may ultimately be made generally available or air pressure on an airframe.

Optimisation of such a structure is finding a minimum weight, or possibly the minimum cost of the basic design. Increasing costs of raw materials and of fabricating components make these considerations all important. However, in evolving this optimum design all the load bearing criteria must still be considered.

Scicon, Sanderson House, 49 Berners Street, London W1P 4AQ, 01-580 5599.

Simplified sun heater

A PLASTICS solar heater, incorporating the collector and warm water tank in a single, low-profile body, has been developed by Rotoplas, a member of Koor Industries (S. Shauf Hamelekh Avenue, Tel Aviv, Israel). It is expected to be on the market later this year.

The "Sunheater," which will be manufactured mainly for export, also has an electric heating element, activated by a thermostat whenever solar energy absorption is insufficient. In order to cater for the do-it-yourself market, Rotoplas is planning to supply the heater with simple flexible water tubing and electrical plug-in connections.

● PROCESSING

Chlorine-free water

WORKING with a trout farm, a Dutch company has developed and brought on to the market an ultraviolet water purifier, with which large quantities of water, between 100 and 250,000 litres per hour, can be sterilized without the use of chemicals.

If this equipment causes changes in taste, odour or texture and the operating life of the equipment is on the "open" system, means that the use of quartz tubes is not necessary that maintenance is simplified.

The liquid to be sterilized is pumped via an impeller and then passes through a "flow bed" in the equipment is an ion chamber, containing more high-pressure ultra-

● MATERIALS

Working in glare-free conditions

SEVERAL years, the lighting industry has been seeking to reduce the glare which is only too often associated with modern lighting sources used in offices and other public buildings. Frequently the control of glare is concentrated on the light source, but a new method of reducing the glare is being developed.

source of this glare is to use Hyalux polarising sheet. This comes in several forms and is made from a range of plastics materials, but all reduce horizontal polarisation of the emitted light at source. It is this form of light that causes reflected glare.

Once the Hyalux sheeting is introduced, a greater freedom of luminaire siting and work positions ensues and contrast and colour rendering improve to a large degree.

Panels of the polarising materials are being made in the U.K. under licence from Polirized Corp. Further, from Richard Daleman, 235 Latimer Road, London W.10. 01-969 7455.

You don't have to employ an accountant to know the most important thing about Power Line Disturbance Monitors. It helps.

Diagnostic test equipment and measuring instrumentation can be very expensive to buy, re-calibrate, test, maintain and repair. Especially if, like such equipment, it spends much of its time not in use — just sitting around doing nothing.

Excepting money. Which Idle Power Line Disturbance Monitors do for you.

There is an alternative. Livingston Hire. Precisely the equipment needed, here, usually within 24 hours, for as long as it's required. On short-term hire, by the week. With calibration, maintenance, repair (or replacement) free. And, of course, without any capital outlay.

The Livingston Hire range of equipment is the largest in Europe. Items, spread over nearly 700 types.

The 1977 Catalogue lists what you need, with rates, and even includes a section on the economics of rental. (The Purchase vs. Hire Decision). Shouldn't someone in your Company have a copy?

They're cheaper to rent than buy! Livingston Hire by the week

Livingston Hire Limited, Shirley House, 7 Camden Road, London NW1 9NR, Tel: 01-239 2020. (Outside London: 01-267 2222 (01). Telex: 815496 Livingston 77983. Germany: 00151 87038. In the Netherlands: 040 776644.)

Never mind whether I'm an accountant or not. Just send a copy of the 1977 Livingston Hire Catalogue to:

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COMPANY & ADDRESS _____

A/FT/233

Flying controls by DOWTY
Cheltenham, England

● COMPONENTS

Cuts water flushing waste

AN HYDRAULICALLY operated automatic flush control valve has been launched by Electroplas, 176, Perimeter Road, The Aerodrome, Woodley, Reading, Berks. (0734 691681).

Known as the Cistermiser, the valve is for installations using automatic flushing. Quantities of water discharged are controlled, as the valve is opened only by short-term pressure variations in the supply, caused by the use of handbasins or manual flush toilets connected to the same supply.

Operated by a balanced poppet valve, which opens for a few minutes when there is a sudden pressure change, allowing the hydraulic accumulator to discharge, the valve has been tested by the National Water Council and the Building Research Establishment.

The valve components are injection moulded from Hostalorm, the Hoechst acetal copolymer.



Does he remind you of someone you know?

Over the last couple of years the businessman has taken quite a lot of stick over the state of the economy.

To hear some people talk, you'd believe that British industry doesn't possess a single successful company within its ranks.

Well we know of plenty in just one area alone. Thriving, expanding companies that have realised the advantages of being in Central Lancashire New Town.

For a start its position, right at the centre of the nation's motorway network, with nearby ports and airports, is attractive in its own right — quite apart from the financial incentives.

Then there's the existing workforce, one of the most skilled and reliable in Britain.

And Central Lancashire's continuing development programme is ensuring a steady supply of factories and warehouses for new growth.

Housing, both for sale and rent, will be plentiful too. Not, we hasten to add, in an urban sprawl, but as a series of carefully planned villages each with its own pub, village green, and shops.

All in all, it adds up to one of the most exciting New Town developments in Britain today.

If you'd like to know more about Central Lancashire, write to our Commercial Director, Bill McNab, Central Lancashire Development Corporation, Cuerden Pavilion, Bamber Bridge, Preston PR5 6AZ. Telephone: 0772 38211.

Central Lancashire
The foundation for your future.



Tories will restore nation's defences, says Gilmour

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A DEMAND that Mr. Fred Mulley, Defence Secretary, resign over the latest round of defence cuts was made in the Commons last night by Sir Ian Gilmour, Conservative spokesman on defence.

Left urges speedier offset deal progress

Financial Times Reporter

LEFT-WING MPs urged the Government yesterday to adopt a tough approach with West Germany over renegotiation of the offset agreement covering expenditure on British forces in Germany.

They told Mr. Fred Mulley, Secretary for Defence, in the Commons, that unless agreement was reached, a systematic withdrawal of troops should begin.

Mr. Mulley replied that while he was anxious to reach agreement with the West Germans, he did not think this was the best way to tackle the problem.

Mr. Gwilym Roberts (Lab., Carmarthen), said that the delay in reaching agreement was "deplorable" and added that it was time to give the West German Government a deadline by which agreement should be concluded.

Mr. Mulley, who said that the foreign exchange cost of keeping British forces in Germany was £544m, replied that such action would not be "satisfactory or successful".

Mr. Ron Thomas (Lab., Bristol N.W.), claimed that defence expenditure by Britain overseas last year amounted to almost £1bn, and during the last three years had totalled the amount borrowed from the International Monetary Fund.

He claimed that the Government had reduced Britain's armed forces to a dangerously low level and pledged that a Conservative Government would fully restore the credibility of our defences.

In a speech reflecting the present tense and abrasive atmosphere in the Commons, Sir Ian declared: "The Secretary of State should go. He now has a chance to make a dignified exit, shortly before the rest of his Government. He should certainly take it."

There were further clashes between the two front benches as Mr. Mulley called on Sir Ian to spell out exactly how the Conservatives proposed to bolster British military strength when they were already pledged to further reductions in public expenditure. There was scornful laughter from Labour MPs when the Tory spokesman said that detailed proposals could only be put forward once a Conservative administration was returned to power.

The wrangle came at the start of the debate on the 1977 defence estimates. The Government had put down a motion asking the House to take note of the statement, and to endorse the Government's policy based on collective efforts to deter aggression while reducing tension through international agreements on arms control.

Sir Ian accused the Government of trying to stave off yet another defeat by merely putting down a "take note" motion instead of the normal resolution asking the House to approve the estimates. He said that it was the first time this wording had been used since 1950.

Sir Ian said that the motion was totally unsatisfactory and was based on a White Paper document, a thoroughly arid document. The Labour Government was continually cutting defence, while claiming that our military capability was being maintained in some mystical way. In real terms, the Government was now cutting defence by £1bn, and was doing great damage to our defence industries, he argued.

The result was that we had weakened NATO's flanks by cutting naval and amphibious forces. We had reduced reserves earmarked for NATO and had made dangerous reductions in the air force. In addition, there had been cuts in ammunition and stores.

The facade was impressive, but inside the building, the furniture had been removed and the foundations sapped. In his view, however, there should soon be a Conservative Government in power that would rectify the position.

"In our estimation, what the Government has done is not only wrong. It is just plain crazy," he added.

Sir Ian recalled that last week's report from the Commons Expenditure Committee had been severely critical about the damaging effect which the cuts would have. According to Sir Ian, this demonstrated that the Government was trying to deceive the nation over the true extent of the reductions and the damage that would be done.

At this, Mr. Mulley intervened to say that when Sir Ian was Defence Secretary in the last Tory Government, he had presided over three cuts in one year which exceeded those of the

past two years under the Labour Government.

But Sir Ian retorted that it was the same old story. The Government was now cutting our defences again at a time when the Soviet military machine was becoming more and more powerful.

"Why on earth should the Soviet Union disarm when the Government does its work for them by disarming 'unilaterally'?" he asked.

Sir Ian said that Soviet military expenditure had been growing by 5 per cent a year. "There is no doubt about the Soviet increase. The balance has been tilting against us."

Yet the Government still seemed to think that despite this vast military "explosion" the Soviet Union had no aggressive military intention. There was no doubt that the Russians now had the capability to launch an all-out attack without warning. The Government, however, continued to run down defence in order to appease its Left-wingers whom he described as "just about the most anti-Western and most anti-Nato body in Europe."

Russia had considerable superiority in Europe on the central front, both in tanks and aircraft. At the same time, the West did not have the capability to attack the East nor did it have the slightest intention of doing so.

His assessment was that the Soviet Union had been turned into an arsenal. "The stronger the Warsaw Pact becomes relative to the West, then the greater become the appetites and ambitions of its dictators."

It was therefore blatantly wrong of Mr. Mulley to carry on as he did in the face of the Russian threat. One sided détente could only help the Russians and one-sided disarmament endangered peace.

A Conservative Government would restore the proper fighting capability to our front line servicemen. There had to be sufficient ammunition to train and fight with, and sufficient stores. Above all, they must not be starved of essential weapons and equipment.

Mr. Mulley told the House that the military confrontation between Nato and the Warsaw Pact had not been reduced despite important political advances which the policy of détente had brought in recent years. Nevertheless, the increase in Soviet capability was not evidence that the Russian leadership now took a different view about the risks involved in military action in the West.

"The Nato policy of deterrence is still working and there is no imminent risk of aggression by the Warsaw Pact," he told MPs.

Attacking Conservative policy on defence, he described it as "a riddle wrapped in a mystery inside an enigma"—the words used by the late Sir Winston Churchill to describe the Soviet Union.

The Tories had said they would strengthen defence and exempt it from spending cuts. Did this mean they would restore cuts? Or, if they planned to exclude defence from future cuts they had in mind, on what other areas would these cuts fall?

He reaffirmed the Government's intention to make a substantial contribution to Nato and to pursue arms reduction by international agreement. The deterrent policy did not require Nato to match the strength of the Warsaw Pact.

But it should have enough forces to make it clear that there were no easy victories to be won by the East and that any attempt to use military pressure would carry "incalculable risks."

Labour rallies to PM's optimism

BY PHILIP RAWSTORNE

"NORMAL SERVICE" will be resumed pretty soon, Mr. James Callaghan coolly assured the Commons yesterday.

Confidence was the order of the day, and Labour MPs rallied as strongly as the Stock Market, giving him a prolonged cheer of welcome.

The Prime Minister, pausing for the echoes to fade, smiled at the Opposition: "I was hoping it might have been unanimous," he said.

But if Mr. Callaghan needs allies, he certainly did not need any protection. The fact that he was surrounded by his Defence Ministers was just a coincidence.

Like Mr. Douglas Jay, he had noticed the sharp fall in the value of sterling. But had followed Mr. "remote" possibility" of a Conservative Government.

The Prime Minister hoped that everyone had also seen that later hints of a Callaghan victory in the Commons' vote had sent the pound, shares, and everything else soaring.

"Resign, resign," shouted Labour MPs mockingly as Mrs. Margaret Thatcher rose.

The Tory leader, it appeared, was anxious to put a question on behalf of Mr. David Steel, who sat in enigmatic silence, having spoken to the Prime Minister earlier.

Did Mr. Callaghan still stand by Labour's 1974 Manifesto, she demanded.

"I'm very grateful for that question," he replied, since it allowed him to point out that four-fifths of the programme had been enacted. "I have no doubt we shall be able to complete the rest with the assistance of all parts of the House."

The Manifesto must have been drawn up with a sheet of paper in mind, Mrs. Thatcher suggested snappily.

No, retorted the Prime Minister mildly, the Government had just been aware of the speed with which MPs could work and the help it could expect from the Opposition.

Mr. Callaghan shared a little sorrow with Mr. Donald Stewart, the SNP leader, that they would be on opposite sides to-night. "But I have hopes of coaxing you into supporting us again," he added.

He was consoled by the fervent loyalty now displayed by leftwinger, Mr. Doug Hoyle, who deplored the waste that would result if Mr. Callaghan were to be replaced by Mrs. Thatcher.

The Prime Minister offered comfort in return. "You do not need to have any fears about that unlikely event," he declared.

Mr. Dennis Skinner was so moved by the scene that he put his head in his hands and laughed.

Now, businesslike, Mr. Callaghan looked forward to the talks with the TUC on the next pay round.

The trade unions would have nothing to fear from a future Conservative Government, Mr. Alex Fletcher protested. "Why peer into the crystal ball when you can read the book," said Mr. Callaghan. No one had yet penetrated the mist that clouded Mrs. Thatcher's policy, he said in restraint, he challenged.

Nor for that matter, he said in reply to Mr. Dennis Canavan, could anyone understand why she had allowed the Tory candidate in Stetchford to go so far beyond party policy on immigration—to use, as Mr. Canavan said, "dirty Fascist tactics."

"Up up up" Labour MPs shouted in a vain attempt to obtain some clarity from the Tory leader.

Mr. Callaghan struggled, and statesmanlike, looked above and beyond Mrs. Thatcher to the Downing Street summit in May and the lead he would give to concerted international action against unemployment.

Callaghan says he is willing to make pact

MR. CALLAGHAN said last night he was willing to collaborate with other parties to keep the Government alive. He conceded that without some sort of agreement there would have to be a general election.

The Prime Minister was speaking on BBC TV's Nationwide programme on the eve of to-day's no confidence vote in the Commons.

Mr. Callaghan said: "I want to see the Government continue because I take the view that we are only half way through the job we started on."

"Therefore, if I can find collaboration with any other parties in the House, then I am willing to do that. Naturally on any protection. The fact that he was surrounded by his Defence Ministers was just a coincidence."

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Peers to debate £3 allowance for overnight stays

BY IVOR OWEN, PARLIAMENTARY STAFF

PEERS WHO have to incur overnight accommodation expenses in London in order to attend the House of Lords will be able to claim an additional £3 a day expense from tomorrow if a proposal made yesterday by the Government is approved.

But, implementation of wider recommendations by the Top Salaries Review Board, which would have resulted in the maximum expense allowance available to increased from £24.50 to £24.50 a day to £24.50 a day, is being shelved pending changes in the pay restraint policy.

A resolution to give effect to the £3 increase will be put to the Lords to-morrow.

Lord Peart, Leader of the Lords, told peers yesterday that the Government recognised that £13.50 a day, fixed in June, 1975, was now clearly inadequate to cover the expenses of those peers who had to stay overnight in London in order to attend the House.

He stressed that the £3 increase would be consistent with current pay policy, as it broadly reflected the rising costs since the limit of the allowance was last revised.

In its report the Top Salaries Review Board, examined the costs of peers' expenses from allowance and concluded that a clear specification of the items of expenditure that could be properly claimed was needed.

It divided the eligible items into four groups, with an individual daily maximum: overnight subsistence (maximum £11); day subsistence and incidental travel (maximum £5.50); secretarial costs (maximum £4); and postage and certain additional expenses (maximum £2).

Under these proposals, the maximum expense allowance which peers would be able to claim would be stepped up to £24.50 a day.

In words repeated by Lord Peart in the Lords, the report emphasised that the peers' expense allowance is not a daily attendance fee, which can be claimed as of right by attending the House of Lords.

"The allowance has always been a maximum daily amount against which peers can claim reimbursement of at least some of the expenses they have actually incurred in attending Parliamentary business," the report states.

Regional PR urged for Europe

BY RUPERT CORNWELL, LOBBY STAFF

AN ALL-PARTY group of MPs last night urged the Government to recommend a regional variant of future legislation on direct elections, has already indicated that a regional list form of PR elections to the European Parliament, due next year.

The Cabinet's views on the subject will be made known in a promised White Paper, which is now likely to be published by the end of this month.

Mr. Merlyn Rees, Home Secretary, and the Minister in charge of future legislation on direct elections, has already indicated that a regional list form of PR elections to the European Parliament, due next year.

The six MPs who issued yesterday's statement, under the aegis of the National Committee for Electoral Reform, are Mrs. Margaret Bain (SNP), Sir Nigel Fisher and Mr. Richard Wood, both Conservatives, Mr. Dafydd Wigley (Plaid Cymru), Mr. John Mackintosh (Labour) and Mr. Russell Johnston.

The National Committee is one of the most vociferous pressure groups pleading for PR. But the MPs underline other advantages of a regional system based on 12 multi-member constituencies for the European poll, and claim their ideas would command wide support in all parts of the Commons.

Such a method, they say, would enable Britain to take part in the first elections in the summer of 1978. At the same time, regional constituencies would ensure the fair representation of regions and regional parties when much of the EEC's allocation of funds is decided by area as well as by country.

Two smaller benefits are also mentioned. Regional constituencies correspond closely to the local organisation of political parties and would thus make elections easier to organise, while broadcasting and television allocation could probably be settled more satisfactorily on a regional basis.

Public Audit Board Bill rejected

LABOUR MP Mr. Ivor Clementson (Luton E) tried to introduce a Bill into the Commons yesterday

setting up a Public Audit Board. He failed by 194 votes to 159.

Mr. Clementson said that in the majority of cases auditors tried to carry out their duties in a responsible manner but were put in a difficult position because they were appointed by a company, and not to a company.

It was very difficult for them to be objective, he argued.

Opposing the Bill Mr. John Wakeham (C Maldon) said that such a Board would be "bureaucratic." The independence of auditors had only ever been in doubt when an auditor had a financial interest in a particular company or was excessively dependent on the company as a client.

He said there had been only 12 cases in recent years, among the 6m. audits carried out.

Minister expects verdict on early-warning system

FINANCIAL TIMES REPORTER

MR. FRED MULLEY, Defence Secretary, is hoping to reach a decision with Britain's Nato allies later this week on which airborne early-warning system should be adopted. But he told MPs that he could not speculate on the outcome.

Mr. Mulley was responding to the pressure from all sides of the Commons to adopt the U.K.'s Nimrod system in preference to the AWA, proposed by the U.S.

But the Secretary of State made it clear that the Alliance had rejected Nimrod for the whole Nato area, and there was not much chance it would be adopted.

He told Mr. Winston Churchill, Conservative defence spokesman, that about £16m. had so far

Annan report

MR. MERLYN REES, Home Secretary, said in a Commons written reply yesterday that the Annan report on the future of broadcasting would be presented to Parliament to-day. It will be published to-morrow.

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Rules on immigrant marriages

TOUGHER NEW rules on immigrant marriages were announced by Mr. Merlyn Rees, Home Secretary, in the Commons yesterday.

Husbands will no longer be granted settlement on arrival but will be admitted for a period of up to 12 months before settlement is entertained. The position will be similar where marriages are contracted here.

Mr. Rees said there would be "specific power to refuse admission or settlement in any case where the marriage is believed to be one of convenience, and there will be a rebuttable presumption that the marriage is of that category in certain defined circumstances."

"At the end of the 12 months, checks will be instituted selectively to ascertain whether the husband is still living with his wife. These powers will be applied only to males because the cannot effectively be applied to women without substantive legislation to amend both immigration and nationality law," he said.

Mr. Martin Flannery (Lab., Hillsborough) said that he and Yorkshire colleagues had met a deputation from the Brough aircraft plant on this issue. He urged Mr. Mulley not to show "undue deference" to the Americans.

Mr. Mulley replied that the two systems were not comparable as Nimrod was designed to fulfil a role in the East Atlantic and around the U.K.

He told Mr. Tom Arnold (C. Hazel Grove): "I very much hope that Nato Defence Ministers will reach a decision when we meet later this week. Meanwhile, work on Nimrod is continuing."

Tory leader challenge

THE PRIME MINISTER yesterday challenged Mrs. Margaret Thatcher, Opposition leader, to answer allegations that the Conservatives were using "fascist" and "racial" tactics in the Stetchford by-election.

Mr. Dennis Canavan (Lab., Stirlingshire -W.) told Mr. Callaghan of the need for a united campaign against the kind of racism being stirred up by dirty fascist tactics used in the Stetchford by-election by the Tories.

Amid mounting uproar, Mr. Canavan went on: "They are might care to ch using anti-immigration posters doubt. But the very similar to those used by the National Front."

This was apparent approval of the Opposition leader. The answer allegations that the Conservatives were using "fascist" and "racial" tactics in the Stetchford by-election.

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WALLIS

F. J. WALLIS LIMITED

Turnover	£30.8m	£34.3m
Profit before taxation	£3.5m	£2.6m
Taxation	£1.8m	£1.5m
Profit after Taxation	£1.7m	£1.1m
Earnings per share	5.55p	3.47p

Extracts from the Statement by the Chairman, Mr D. R. Glynn

- * Pre-tax profits rose by 34% to a record £3.5 million.
- * Total dividend of 1.144p per share increased to the maximum permissible.
- * Approximately 25% additional selling space is anticipated for 1978. Each of the new stores will provide approximately 25,000 square feet of sales area, enabling us to extend the range of foods, particularly fresh foods.
- * Turnover up by 23% during the first eight weeks of current year.
- * Further modernization will continue to provide increased volume.

Copies of the Report and Accounts are available from the Secretary, F. J. Wallis Limited, Glynn House, New Road, Rainham, Essex.

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by lot for redemption on May 1, 1977 at 100% of the principal amount thereof through operation of the Sinking Fund, \$529,000 principal amount of said Bonds bearing the following numbers:

4	844	2268	3285	4098	5111	6272	7748	8865	10187	11435	12442	13453	14461	15470	16478	17487	18495	19504	20512	21521	22529	23538	24546	25555	26563	27572	28580	29589	30597	31606	32614	33623	34631	35640	36648	37657	38665	39674	40682	41691	42699	43708	44716	45725	46733	47742	48750	49759	50767	51776	52784	53793	54801	55810	56818	57827	58835	59844	60852	61861	62869	63878	64886	65895	66903	67912	68920	69929	70937	71946	72954	73963	74971	75980	76988	77997	78005	79014	80022	81031	82039	83048	84056	85065	86073	87082	88090	89099	90107	91116	92124	93133	94141	95150	96158	97167	98175	99184	100192	101201	102209	103218	104226	105235	106243	107252	108260	109269	110277	111286	112294	113303	114311	115320	116328	117337	118345	119354	120362	121371	122379	123388	124396	125405
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Meth Gooding describes how Massey-Ferguson applies advanced technologies to the design of its latest range of products

Research that links space with tractors

has so far spent more than £10m on its space effort since the mid-1960s. Most of the research data is available because it has been part of NASA's dissemination programme as widely as the results of the programme.

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A Massey-Ferguson 1200 tractor developed at its centre for advanced research and development.

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Obstacles that bar free trade

BY DAVID BUCHAN

"I THINK it very undesirable to give Government patronage to foreigners." So commented Winston Churchill when he was Home Secretary in 1911 and his opinion still holds good for many EEC Governments in 1977. Despite the basic premise contained in the Rome Treaty for Free Trade and supplementary directives issued thereafter, a large part of the European economy—the public markets—remains unaffected by the EEC customs union.

Brussels officials guess that public purchasing alone represents between 7 and 11 per cent of member States' gross domestic product and that in 1972 that amount about 10bn. units of account (over £5bn.). The stakes are high, but the obstacles are great for companies venturing beyond the preserves of their own national markets.

The council passed two directives—in 1969 for public supplies and in 1971 for public works—prohibiting discrimination in awarding contracts on grounds of nationality. But these only reiterated in specific language what the Rome Treaty has already laid down in general terms. And the real advance came with the directives—in 1971 again for public works and in December 1976 for public supplies—designed actively to promote more open competition in these areas.

The main aim is to inform European contractors and manufacturers of what Governments are putting out to tender, and to ensure that Governments provide to all bidders the same financial and technical criteria, published in advance. Governments are not obliged to do this with defence and aerospace contracts (for national security reasons) nor with anything to do with water, energy and transport and telecommunications (because of the nature of the organisations dealing with these was considered too diverse). But all other public work contracts worth more than 1m. units of account—over £1m.—(a threshold that is recognised to be out of date and will shortly be revised upwards) and all other public supply contracts

worth more than 200,000 European units of account (£150,000) must be translated into the six official languages of the Community and published in its daily official journal, which is reckoned to have some 2,000-3,000 companies as subscribers. Governments have a choice of advertising under an "open" or "restricted" procedure. Under the former, the Government department must give consideration to every bidder, while under the latter system it can pick and choose which of the applicant companies it wants to entertain seriously.

Eight of the EEC countries play the game and advertise as instructed. There are, of course, large discrepancies. In 1975 for instance, U.K. public authorities placed 1,034 adverts in the official journal: the next biggest advertiser was West Germany with 476 announcements. The differences are explained largely by the fact that the U.K. tends to advertise a whole contract and subsequently all its component sub-contracts, while countries like France and Belgium only make mention of the whole contract.

This obstructionism is not entirely without justification. Disclosure of full statistics—as suggested in the report done by Sir Richard Clarke and M. Guy Charpentier in 1974 to investigate — at the Commission's request — "the low and stagnant level of Community public procurement"—might generate more heat than light.

Geography is another factor, though it cuts both ways. In the gold triangle where Holland, Belgium, Luxembourg, France and Germany meet, there is fierce competition for some projects. On the other hand, with the natural sea barriers between the U.K. and Ireland and the Continent, those two states find very little interest from Continental companies wanting to peddle their wares across the Irish Sea or the Channel. When the public supplies directive comes into force, this may change because the huge transport costs on public works would not be a factor.

Another Italian habit, is the system of using sealed envelopes in which the Italian authorities give no indication of their criteria for picking the winner. In addition there has existed an official Italian list of approved contractors from which companies not established in Italy are excluded. At the time of the issue of the latest public supplies directive, Italy was given a period of grace with the public works

directive to change its habits. But only now, after the Commission took Italy to the European Court last year, is there a bill to make these changes before the Rome Parliament. The special advisory committee, composed of national officials (in Britain's case, a senior Treasury official) and supposedly the watchdog over the application of directives, has only ever received two complaints. Both concern the public works directives, because the public supplies directive will not come into force until mid-1978.

The fact that there have been only two complaints is not conclusive evidence that public works have been opened to foreign competition. Far from it. The EEC governments refuse to publish figures to show exactly where their contracts have gone. Indeed the Commission, which had been instructed to present a report to the Council by the end of this year on the progress of the public supplies directive, has been expressly forbidden by the advisory committee to quote specific figures.

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flexible to cope with this multiplicity of different demands from various markets," says Mr. Elfas.

There is, of course, more to the advanced project engineering centre than computers. Up-to-date machine tools and the very latest electronic equipment enable the components to be made and tested once a design has been selected.

Back at Livonia the records enable further tests to take place in exactly simulated field conditions. This way, Mr. Elfas and his team can closely observe a tractor working for 1,000 hours in the short space of seven weeks.

Massey-Ferguson uses computers to provide perhaps the most important of all the answers needed. For there is one programme which will indicate from the outset the probable profit and rate of return on investment any new tractor will produce.

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Reliability

A higher level of reliability. If the tractor costs so much the operator naturally expects it to function properly. With this in mind there is a growing trend towards incorporating multi-parameter diagnostic circuits in the machines. These give details of the health of the tractor and provide an early warning that something is not quite right.

A greater flexibility of the product, so that it can do more jobs than the tractor used to do. This might involve being able to use the tractor's hydraulic system to work external implements, for example.

Mr. Elfas admits that accuracy is strictly limited when you are forecasting five to ten

years ahead. But forecasts can be updated regularly. In any case, some big assumptions have to be made. Mr. Elfas believes, for instance, that the diesel engine will remain the predominant power plant for tractors for the next decade. And he expects tyre technology to continue to progress as it has done in the past.

What is particularly difficult to predict is possible legislation which might affect sales in important markets. "Legislation is not always logical," says the very logical Mr. Elfas. Then there are the non-tariff barriers some countries have taken to erecting in order to protect local manufacturers. These are non-standard specifications that must be met before any product can be sold in the particular market concerned and naturally this militates against the imported product.

"Whenever you design a tractor it must be sufficiently

flexible to cope with this multiplicity of different demands from various markets," says Mr. Elfas.

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Tested

Prototype tractors are taken to the site of the Alamo battle, San Antonio Texas, because there are very many different types of soil within a 30-mile radius. The tractors are tested with different equipment on different soil types while electronic devices record the stress at critical points.

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BUSINESS PROBLEMS BY OUR LEGAL STAFF

Products from a liquidator

A company we supplied with goods went into liquidation without our having been paid. We now operate from the same premises under a different name. Selling, inter alia, our products back for repair from them.

Assuming that the new company has acquired our products from the liquidator, do they have an unassailable title to them? What if we retained any products we sent to us for repair? If our terms of sale incorporated a clause such as "ownership of goods supplied remains reserved until payment for such goods has been received in full from the buyer" would this enable us to repossess the goods in the event of liquidation by the recipient and in any event, give us prior title to the goods until full payment has been made?

The property of the company in liquidation is very likely to have been sold by the liquidator to

the new company. You would not normally have any recourse in that event and could not retain goods sent for repair. If, however, you stipulate that property in goods is not to pass until payment has been made such a sale of an insolvent company's assets would not be effective to pass a title to your goods, and you could reclaim them, as Rule 1 under Section 18 of the Sale of Goods Act will have been displaced.

Interest on Eurobonds

Could you tell me if the interest on Eurobonds issued by a British borrower, for example Barclays Bank International, nationalised industries, local authorities, etc., is taxable in the hands of a non-resident bondholder? In effect, the answer to your question is no.

For Eurobonds issued by British companies, the question of deduction of U.K. tax does not generally arise, because they are invariably governed by the law of a country outside the U.K. For example, Barclays Bank International Limited US\$9.125 per cent capital bonds 1987 are governed by the law of Bermuda (although the trust deed is governed by English law, except for the first schedule). Furthermore, the terms of issue generally make provision for protecting non-resident bondholders against some of the consequences of any change in the U.K. tax law.

Specific legislation has been passed to enable U.K. public corporations and local authorities to issue Eurobonds providing equivalent tax advantages to non-residents, notwithstanding the fact that the bonds are subject to English law.

Local Authorities—section 416, Taxes Act 1970. Statutory Corporations—section 12, Finance Act 1975.

A partnership and tax

I wish to form a partnership with a long-time colleague in order to provide a consultancy service. Could you please tell me what the position is as regards taxation of the profits of the business?

The rules of case II of schedule D are complex and capricious, even in relation to a sole practitioner or other professional man. In relation to a partnership, the tax rules are of such complexity and uncertainty that two books have been devoted to the subject.

Partnership Taxation (E. E. Ray), published in 1972 by Bodley Head and HPL at £4 (ISBN 05 120 246 2); The Law of Partnership Taxation (P. Lawton, D. Goldberg and R. Fraser), published recently by Oyez at £10 (ISBN 0 372 01693 0).

You will need professional assistance in the preparation of the partnership agreement and in the preparation of accounts, so you would do well to seek professional guidance on the potential income-tax and capital gains tax (and capital transfer tax) problems before entering into commitments.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Unlike most modern hotels, the Hotel Bristol is unlike most modern hotels.



Most modern hotels are very much like what they offer in modern conveniences they usually lack in such old-fashioned niceties as individual service and stylish decor. The exception to the rule is the Hotel Bristol.

Of course, it does have all modern conveniences—a TV in every room and so on. But it's decorated in sumptuous Louis XV style. It's small and intimate—only 200 rooms. And the Louis D'Or restaurant has a great reputation for its excellent French cuisine.

Its location leaves nothing to be desired. Here's been a hotel here, on the corner of Cavendish and Berkeley Street for 200 years

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If you've never owned a Caterpillar Lift Truck, how do you know you have the best?

Get the facts from Cat.

If you change to Caterpillar, you can get more production, less downtime and greater value from your lift trucks.

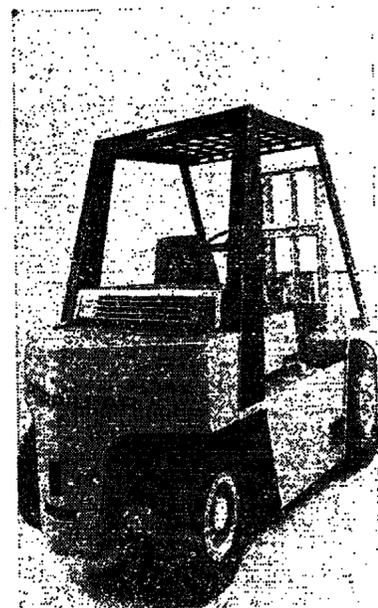
For instance: 16 Caterpillar M-Series electric lift trucks averaged no less than 97.2% availability during 31,699 service hours. That's a fact.

Before you bought Caterpillar, you'd want more proof, of course. But just consider the broad facts that back our specific claims.

Experience: Caterpillar's own 50 years reputation in machinery building combined with its acquisition of lift truck pioneer, Towmotor, puts a wealth of rugged knowledge behind the current range.

Quality: From pioneering towing trucks in 1919, and introducing one of the first conventional lift trucks in 1933, Caterpillar now manufactures in 11 countries in 19 plants that includes an all new lift truck facility where one out of every 7 men on the production line is devoted solely to quality control.

Engineering: Through heavy investment in research, development and engineering, the company now employs over 4,000 scientists and technicians in research alone to produce trucks that work better, handle easier, last longer.



Product Support: With 23 major parts depots, and 900 service outlets all computer-linked in 120 countries, Caterpillar's local dealer network can keep lift trucks working at peak performance throughout the world.

Range: To cover almost every conceivable materials handling task, Caterpillar offers 46 different models from 2,000 to 60,000 (1,000 to 27,300 kg) with a choice of cushion or pneumatic tyres and diesel, petrol, electric of LP Gas power.

If your trucks don't have the same pedigree, they're probably costing you productivity—and money.

Put it right by calling your Cat Dealer now.

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Bowmaker (Plant) Ltd.
Tel: Cannock 2551
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Mr. Callaghan's day of crisis

The run up to the vote

By DAVID WATT



IF THE Government loses the vote of confidence in the House of Commons to-night, it will be the first time since 1924 that such a thing has occurred.

The reasons why Mr. Callaghan's Ministry — now a minority government — has got into its present pickle are equally unique and specific.

With the Tories. The country at least four plausible strategies — ranging from serious conversations with the Tories to the introduction of a timetable before opinion had had time to harden.

ster seats — as the price of continued support. The Scottish Labour Party could not afford to allow itself to be accused of preventing an election that would enable Scotland to register its protest against the abandonment of devolution.

That's how it works

IT WOULD be unrealistic to suppose that the outcome of to-night's vote in the House of Commons will be determined primarily by considerations of national interest.

by a Conservative government. What is more, it might be felt, a Labour Government under the leadership of Mr. Callaghan is a different entity from one under the leadership of Mr. Wilson.

The Government cannot survive without Liberal support, and the Liberal leader has made it clear that the condition of support is some kind of explicit commitment to eschew contentious legislation for the rest of this Parliament.

Longer-term Once one gets away from tactical considerations, however, the balance of argument swings the other way.

Paradoxical One important cause of so paradoxical a preference would undoubtedly be the fact that the country is still very far from being past its economic crisis.

His estrangement from the Tories began when Mr. Heath sacked him as Opposition Defence Spokesman after a particularly virulent immigration speech in 1968.



—but it is an illogical hope from one who prides himself on his clarity of reasoning.

strategic aim of forcing sweeping changes in the British political system (Mr. Prentice is a fervent believer in proportional representation) an early election would suit him tactically as well, before rejection is completed.

good party man follow the majority view. If election there is, he at least has nothing to fear.

former chief whip at Westminster and one of its most forceful personalities could win 38 to 40 per cent of the Scottish vote — and 20, 30, or even 40 parliamentary seats.

Backbenchers in the limelight

IT IS a moot point these days whether there are 13 or 14 Liberal votes in the Commons. The party officially boasts 13, but Mr. Reg Prentice, until December, Minister for Overseas Development, often seems closer to Mr. Steel than he does to Labour.

AFTER THE Liberal leader Mr. David Steel, Mr. James Molyneux was, the most closely watched man at Westminster as the Prime Minister cast around for a lifeline in tonight's vote.

WHICHEVER VOTE to-night may be in doubt, that of MR. DOUGLAS HENDERSON and the 10 other Scottish Nationalist MPs is not Mr. Henderson's, a 41-year-old management consultant and member for East Ayrshire since February 1974.

"WITHOUT THE assurance of a new guillotine on the Devolution Bill before the Easter recess, and one that is a vote of confidence for the Parliamentary Labour Party, I will have no option but to vote against the Government."

The Indians prefer democracy

THE CALLING of the Indian elections, and more especially their results, deserve a number of tributes. The first is to Mrs. Gandhi herself.

used its potential, but independence elections, and more especially their results, deserve a number of tributes.

Warts and all The second tribute is to the Indians in general. They have behaved like democrats.

Second choice Yet, whatever the problems that lie ahead, the fact cannot be escaped that the majority of Indians have preferred democracy to Mrs. Gandhi's idea of order.

The third, and related, tribute is to the developing countries, which have rejected not only despotism — whether of the left or the right — but also dependence on outside powers.

For a start, the Pike/Abell side argued that the holding was only 23 per cent — and there was suspicion that Hirst had acted in a way calculated to embarrass Understable in view of Abell's role at Leyland, but the Hirst involvement is part

MEN AND MATTERS

Fireworks at Hirst and Mallinson

Drama came yesterday to Hirst and Mallinson — which in recent years has done better out of pharmaceutical and catering equipment distribution than out of its traditional wool textile activities — and brought with it a cast containing some unusual features.



"I will try and fit you in between the wheeling and dealing, and the bowing and scraping."

On the Hirst side was chairman and chief executive Michael Crompton and on the other Jeffrey Pike, best-known to the City as the head until early last year of the Tremletts group, and his old friend David Abell, managing director of one of British Leyland's successful subsidiaries, the special products division.

Pike and Abell, bright financiers in their mid thirties, were named yesterday in a statement by Crompton as buyers or controllers of "just under 30 per cent" of Hirst shares.

action over the ill-starred 1974 acquisition of Tower Assets. Tremletts settled out of court for £550,000.

acted leading not only in the American hemisphere but throughout the world. Given the substantial activity of the European and Japanese banks in this area there can presumably be little room for Bank of America or Chase Manhattan, let alone the lesser stars of the U.S. banking firmament.

Abell was not keen to comment either, but it was made clear that the pair were in no rush to dispose of the Hirst stake.

The validity of the claim rests on one's definition of that phrase "market share." Putnam reaches his figure by taking the \$27bn. worth of total syndicated loans last year and noting that Citicorp International Group managed or co-managed loans totalling more than \$14.3bn.

Sharing out Citicorp International Group, a rather cumbersome name for an umbrella organisation taking in the worldwide merchant banking activities of First National City Bank, produced its first annual report yesterday and with it a claim that might make some others in the same line of work blink a couple of times.

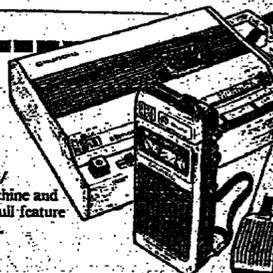
Fossil news It is an exciting if weird world, judging by certain sections of the trade Press. According to the Industrial and Commercial Photographer, the choice of a new venue for the 1977 Photography at Work exhibition attracted visitors from an ever-widened geographical profile than ever before.

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Groggy but not out

It is difficult to repeat in a general election, in which much more important matters will be at stake. Voters in the general election due in the spring of 1978 will face a fundamental choice, which will determine the French social and economic system for years to come. If the Left wins next year, it would bring the Communists into the Government. Though they would doubtless be heavily outnumbered by Socialist ministers, this prospect could give a substantial number of floating voters second thoughts.

The result of the parliamentary election, therefore, is likely to be much closer. But the progress of the Left in the municipal elections, the fact that the campaign was conducted on National rather than local lines, the straight fight in the majority of cases between clearly defined Government and opposition lists of candidates, and the approach of next year's parliamentary election, all are reasons to suppose that the swing to the Left will be extremely difficult to reverse. The tidal wave engulfed most of the country. Socialists or Communists ousted mayors supporting the Government from 55 towns of more than 30,000 inhabitants; they now control more than two-thirds of the big towns. Even more important, they polled something like 52 per cent of the national vote. If they repeat this next year, it would be sufficient to give them a small majority in the National Assembly, in spite of the fact that the present constituency boundaries do not favour them.

Progress

One of the most significant aspects of the election results was the veritable breakthrough made by the Communists who with 22 gains now command 72

big towns. The "red scare," which has always been such a decisive factor in previous elections, no longer frightens Socialist voters. In practically all cases where Socialist candidates stood down in the second round in favour of their Communist allies, Socialist and other Left-wing voters did not hesitate to switch to the Communists. Moreover, the Left as a whole practically swept the board in the traditionally conservative and Catholic west of the country, which means that even those with strong religious convictions are ready to vote Socialist or Communist.

The Socialists, it is true, remain by far the more important group in the Union of the Left. But the Communists have won a substantial moral victory which cannot help but strengthen their position at the parliamentary election and benefit the Left as a whole. Their success is a reward for the new line they adopted at their party congress last year when they broke their close ties with Moscow and adopted an independent and nationalistic policy. Since then, M. Georges Marchais, the Communist leader, has emphasised on every possible occasion that each country must map out its own road to Communism and has not hesitated to criticise the Soviet Union for failing to respect human rights.

The performance of the Left in the municipal elections has been a big blow not only to the Government as a whole, but to President Giscard d'Estaing personally. As many as six members of the Government, all of them Centrist supporters of the President, were defeated, including M. Michel D'Ornano, the Industry Minister and one of the President's closest lieutenants, who lost in Paris. The

President's whole policy, based on the view that the people want to be governed from the Centre, has been shattered. Following the bitter fighting in Paris between the Gaullists and the President's own supporters, M. Jacques Chirac, the Gaullist leader has emerged victorious, though even in the capital, for the past 20 years a Gaullist bastion, the Left made heavy inroads and polled as much as 45 per cent of the vote.

With the election of M. Chirac as Mayor of Paris a foregone conclusion, President Giscard d'Estaing is more than ever faced with a rival who is not only in a position, as leader of the biggest political group in the National Assembly, to dictate policy to the Government, but who is likely to run for the Presidency in 1981. Though the Gaullists did not do well in the country as a whole, they performed much better than the Centrists, and M. Chirac's personal success in Paris gives him even greater national prestige than he had before. He can claim that his policy of waging a permanent and aggressive electoral campaign against the Left has paid off and is the only way of preventing the Socialists and Communists from coming to power next year. He has long criticised the President for his failure to realise this, and it was on this very issue that he resigned as Prime Minister last August. It is difficult to see how M. Giscard d'Estaing can now refuse to sign a peace treaty with the Gaullists, however humiliating it might be for him personally.

Given the defeat in the municipal elections of such a large number of his Ministers, President Giscard d'Estaing might well decide on a Government reshuffle. But short of bringing M. Chirac back into the Govern-

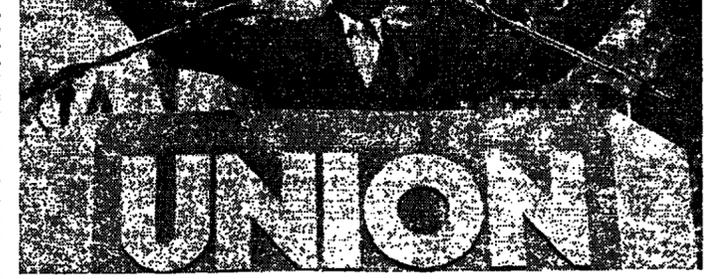
ment — a step which the President would hesitate to take because it would be an admission of his own lack of judgment — it is difficult to see how a reshuffle would improve the Government's standing in the country.

Whatever his decision on this score, the President is likely to build his own strategy during the short time that remains before the Parliamentary election, around the personality of his present Prime Minister, M. Raymond Barre. It is certainly clear that M. Barre's economic stabilisation plan, the main elements of which were a price freeze and a clamp-down on wages, has helped to accentuate the swing to the Left. It has entailed a high level of unemployment, currently hovering around the 10 per cent mark, which must have had a considerable influence on the electorate. But M. Barre has built up a solid reputation for himself as an honest, competent and politically unambitious man. His personal popularity has risen by leaps and bounds in the public opinion polls.

Doubtful

M. Barre, no doubt, will be asked by the President to play a much bigger political role, distasteful as this might be to the economist prime minister, who would rather deal with the technical problems of the economy, than with politics. The advantage of throwing M. Barre into the fray is that he is respected by the Gaullists, who have also supported his economic policies, and is therefore the best man to restore Government unity.

Much more doubtful is the whole future of the Barre plan which, in spite of some limited successes, is hardly geared to



M. Jacques Chirac during his victorious campaign in Paris.

winning an election. To have brought down the monthly inflation rate to 0.3 per cent in December and January, to have reduced the trade deficit progressively from its high point of Frs.3.8bn. (more than \$400m.) in November last year to Frs.1.5bn. in February, and thus to have ensured the stability of the franc, is no mean achievement. But M. Barre has stated that he will not sacrifice his triple target of reducing the inflation, balancing the trade account, and protecting the franc, to reducing unemployment. If the Prime Minister has his way there will be no full-scale reflationary package this year, though he has always said that he would be prepared to introduce some highly selective measures if required by the economic situation. From a purely economic point of view, M. Barre may well be justified. His calculation that, by the end of the year, unemployment will begin to fall under the stimulus of a world economic recovery, may also be correct. But measures necessary to enable shared power, and might thus have their own criteria and the set-back which the Government has just suffered, lost.

The beleaguered President will therefore come under heavy fire from all sides as he tries to patch up his battered coalition. He does hold one trump card, which no one can take away from him: his seven-year mandate lasts until 1981, and he has always said that he would not resign before then, come hell or high water. The parliamentary majority on which he has so far depended could well disappear at the next election, and even such down with it the dynamic M. Chirac. It is not inconceivable, however, that President Giscard d'Estaing could continue to govern the country with a Socialist-Communist team, particularly since his personal political philosophy tends to be rather closer to that of the Socialists than to the Gaullists. United as it is to-day for electoral purposes, the left-wing alliance is backing for the Barre plan, will consider some expansionary surviving the pressures of shared power, and might thus allow an astute president to play a much greater role than is generally thought.

Letters to the Editor

Insurance and its

I thought, however, that this was a private enterprise called "marketing".
E. A. Proctor,
270, Uppington Avenue,
Stammore, Middlesex.

What next—electric lamps made to look like telephones? I've little doubt that market research could be devised that would show a potential demand for thatched telephone kiosks in Dorset villages. Would the Post Office set about meeting that demand, too, "in a businesslike way?"
Elisabeth Hoodless,
17, Cross Street, N.I.

Thatched kiosks

From Mrs. E. Hoodless.
Sir,—The director of public relations of the Post Office (March 19) disregards the traditional role of his service. It is to provide communications for the public, not to encourage the more irrational yearnings of the affluent society. To offer telephones made to look like candlesticks is ludicrous, an abject surrender to the fantasy people. What next—electric lamps made to look like telephones? I've little doubt that market research could be devised that would show a potential demand for thatched telephone kiosks in Dorset villages. Would the Post Office set about meeting that demand, too, "in a businesslike way?"
Elisabeth Hoodless,
17, Cross Street, N.I.

Exclusive price

From Mr. P. Hunt.
Sir,—Mr. Peter Young's letter from Central Post Office Headquarters (March 19) prompted me to write concerning the last paragraph of his letter.
I am not surprised that all telephone charges are to remain stable for a further year to March 1978. I have just received a letter advising me that my shared line will soon be exclusive and for that privilege I have to pay another £4 per year plus VAT. It appears I have no alternative but to accept this decision, happy with my present shared line.
If this is not a disguised price increase, then perhaps someone can tell me what it is. I am sure there are many thousands of subscribers in the same position.
Paul J. Hunt,
3, Elm Close,
Lancaster,
Salisbury, Wilts.

Students' fees

From Mr. J. Wilson.
Sir,—Student Anne Lynch (March 19) takes me to task for suggesting that Britain should "sell" degrees and equivalent qualifications direct to overseas governments, rather than impose higher fees on individual students. She has every right to disagree, but her arguments are obscure to me. I fail to see the connection between trading our educational expertise and Judas Iscariot.
The calumnious tone of her letter ("corrupt... smattering of education... base arguments") suggests that I have offended her in some way, and I can only think she has misunderstood my intentions. Perhaps she believes I am advocating the sale of degrees, worthless "paper," although nothing in my letter (March 14) indicates this.
Or, maybe she believes that education is a right rather than a privilege and that any form of payment is wrong. In my own field of science many brave men and women were oppressed by the establishment and lost life or limb in the search for knowledge. Ms Lynch professes humility, but I suspect she conceals no gratitude or sense of obligation to such pathfinders.
In an ideal world we wouldn't have to pay for anything, but as

most readers of this paper are aware, such is not the case. And if we do have to pay for education, it is merely a question of who pays, how much, and how they do it. My suggestion was to assess the true worth of a British degree, to say, a South African national and to charge that country accordingly if one of their people comes here to get one. Why does this annoy Ms Lynch so much?
John Wilson,
16 West Kensington Mansions,
North End Road, W.14.

Paying for education

From Mr. J. Eedle.
Sir,—As a taxpayer I do not altogether understand Miss Anne Lynch's view of the duty of educators (March 19).
A family, a community or a nation will support and pay for the education of its own young as a matter of course in order that each generation can develop its potential, so far as is possible at the stage of formal education, for the good of the individual and of the community as a whole. The keep of the students, salaries of the lecturers and ancillary staff, books, stationery, equipment and maintenance of buildings—all must be paid for in hard cash by the current generation of earners and wealth generators. Without such payment education in this form would not exist. The expenditure is not begrudged provided the payer sees that the money is properly spent.
But if the money which I pay in taxes is used to educate foreigners who then go away without either paying the cost of what they have received or contributing to the wellbeing of this nation, I might as well have been paying taxes to foreign governments, as well as to our own profligate Whitehall and town hall administrations. The whole position of foreign aid and foreign debt is of great interest to many taxpayers. Every suggestion which could assist in our return as a nation to living within our means should be examined carefully. Those whom the pipers are attempting to ruin are bound to question the necessity of holding a ball.
J. M. Eedle,
35, Stilehall Gardens, W.4.

Thirty-day trips

From Mr. T. Sas.
Sir,—I refer to the letter of March 17 from Mr. C. Richardson in which he tells us that as a businessman he spends 2-4 months overseas annually but on no occasion exceeded 30 days. I am pretty much in the same situation as Mr. Richardson, but I really must make a definitive statement to close the issue of taxation and travel.
Those who travel abroad for periods in excess of 30 days are usually salesmen, export managers and engineers. The ones who create the right marketing environment for them are top management, that is to say directors. It is as a result of their activities that the lower echelon of management have the funds, and the very reason to travel.
Directors and top management of course do travel but by the very nature of their job cannot be away for long, they are the indispensable people who must fit overseas for the shortest possible time. I quite often travel to the USA for a few days. Indeed on the odd occasion have flown to the USA and back spending only a morning in the USA,

Taxation and travel

From Mr. V. Kelly.
Sir,—May I support Mr. C. J. Richardson's objections (March 17) to the current proposals of the Inland Revenue which seek to restrict tax benefits to those exporters who make trips of not less than 30 days at a time.
Some unnamed official of the Inland Revenue is reported to have said that "journeys abroad of less than 30 days cause no disruption at home. This Civil Servant should listen to the un-civil comments of my wife as I prepare to depart on a Saturday afternoon for an overnight flight to, say, Africa. I rest up on Sunday afternoon and start work on Monday morning. Invariably I am away at week-ends also so that as little working time is lost as is possible.
In order to cope with the desk work at the office these trips seldom exceed 14-15 days but in the course of a year many such trips are made. Last year I visited 20 countries, some of them twice. Again, trips to the Middle East have to be planned in the knowledge that Saturdays and Sundays are working days there. Is our Civil Servant friend aware of this? Is he conscious or does he care how many week-ends are lost to the average exporter in the course of the year?
It is no wonder that Mr. Richardson ended up with high blood pressure at the age of 38. I get apoplexy just thinking about these parasites who have the gall to pontificate as to what constitutes disruption of our family lives.
V. F. Kelly,
166 Great North Road,
Hatfield, Herts.

Footing the bill

From Mr. D. Kent.
Sir,—Richard Baile makes a case for "Councils in business" (March 18), complaining that legislation prevents local government being as active in this field as it might be. I would put the opposite view that because local government is so active in this field the country's overheads are so high.
In my view local government should move back in the direction of providing public "services" and take less part in commercial activities. No one would argue that we all rely upon public "services" to undertake tasks which could not be undertaken by private enterprise and we are grateful for them but where local government seeks to develop such public "services" into "enterprises," as in direct labour operations, it assumes activities to the detriment of those whom it should serve. Living as I do in a borough, Wandsworth, where direct labour operations are encouraged I know that their recent failures are largely represented in a 22 per cent rate increase.
Mr. Baile sets as a guideline that each trading organisation should keep separate accounts of actual costs with overheads

Subsidies and transport

From Mr. D. Longman.
Sir,—I was surprised to see Sir Reg Goodwin admit (March 18) that nearly 50 per cent of Londoners enjoy free and concessionary travel.
If London Transport needs subsidies to maintain its bus and tube services and protect the jobs of its staff, how can it afford to give so much away in free and concessionary travel except at the expense of the rest of the London community?
D. A. Longman,
Woodstock,
Violet Way,
Rickmansworth.

Beating the market

From Mr. T. Arthur.
Sir,—Mr. R. C. Beckman (March 21) overstates his case in suggesting that one cannot beat the market on a risk-evaluated basis. It is far too convenient to attribute differences in performance to differences in risk. To my knowledge no research has adequately defined risk; certainly no concept satisfies every kind of investor. The academic evidence on which Mr. Beckman hangs his hat associates risk with volatility and most of it further assumes that a building society deposit has no risk—this is demonstrably untrue except in money terms—which are often unimportant.
The equation of volatility with risk is itself a major and unjustified assumption. Even if it is accepted there is still the problem of proving that relative volatility of different stocks is constant over time—a problem certainly unsolved in the UK. There is also the problem of deciding the time period for basic volatility calculations—one month, three months, or what? Again the answers are not uniform.
One can perhaps accept (just) that "one cannot beat the market on a basis which makes certain consistent but seemingly arbitrary mathematical adjustments," but to say that one cannot beat it on a "risk-evaluated" basis is going too far. Risk differs for each investor and only he knows what it is; the person who tells us what our risks are is demonstrating an all-too-common failing of academics.
T. Arthur,
3, Yateley Road,
Edgbaston, Birmingham.

GENERAL
Conservative motion of no confidence in Government debated in House of Commons.
Labour Party national executive committee meets.
TUC General Council meets.
Two-day plenary session on agriculture opens in European Parliament, Luxembourg.
Mr. Dom Mintoff, Maltese Prime Minister, visiting UK to encourage increased British industrial investment in Malta.
Mr. Edmund Dell, Trade Secretary, is guest speaker at Institute of Purchasing and Supply lunch, Royal Festival Hall, S.E.1.
PARLIAMENTARY BUSINESS
House of Commons: Conserva-

To-day's events

Defence and External Affairs sub-committee. Subject: Progress towards implementation of Final Act of Conference on Security and Cooperation in Europe. Witness: Mr. A. Schofield, director, Royal Institute of International Affairs (11.30 a.m., Room 7).
OFFICIAL STATISTICS
New vehicle registrations (February). Bricks and cement production (February).
COMPANY RESULTS
BICC (full year). Booker McConnell (full year). General Accident Fire and Life Assurance Corp. (full year).
COMPANY MEETINGS
See page 21.

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COMPANY NEWS + COMMENT

Anomalies hide real progress at Weir

THE GLASGOW-BASED engineering, foundries, aircraft equipment and water plant concern, Weir Group, made a pre-tax profit of £7.5m. in 1976, against £6.21m. for the previous 53 weeks, an increase of 21 per cent. The directors forecast a further modest advance in 1977.

At the interim stage, when pre-tax profit was up by 9 per cent from £5.8m. to £6.38m., the directors expressed confidence that group progress would be at least maintained in the second half.

On increased capital the dividend is lifted from 4.5p to 4.75p with a final of 3.19p net per 25p share. Stated earnings are 16.1p against 15.6p. The change in the weighted average number of shares in issue between the two periods was 4.2m. to 23.5m.

	1976	1975
Turnover	125,121	107,528
Engineering	40,34	33,463
Foundries & supplies	7,340	7,316
Aircraft equipment	54,425	41,628
Desalination & heat exchange	2,219	1,738
Profit before int. & tax	10,632	8,227
Income tax	4,979	4,981
Foundries & supplies	3,311	4,859
Aircraft equipment	309	317
Desalination & heat exchange	654	458
Share issue	839	841
Dividends	1,172	1,128
Profit before int. & tax	7,653	6,246
Taxation	3,292	2,818
Net profit	4,361	3,428
Minority interests	233	112
Extraordinary credits	1,731	3,887
Airframe	1,422	3,887
Dividends	1,172	1,128

After provisions of £70,000 for costs associated with the closure of the Victor factory at York Parks.

The directors state that increased export business should give the group the opportunity to make at least a modest advance in profits in 1977. Because of the timing of contract completions it is almost certain that performance in the second half of the year will be better than in the first, they add.

In the longer term, the next few years should bring increasing profits from desalination business, while the group's earnings in general should benefit from the heavy and continuing investment programme, members are told.

On the results now reported, the directors say it is encouraging that they were achieved in conditions unfavourable for most of the operating companies. The pattern of operating results is in line with long-term strategy and shows continued improvement in steel foundries and engineering, it is still too early to see the significant desalination plant profits expected in future years, the directors state.

comment
The anomalies in Weir Group's preliminary figures disguise the real achievements. Trading margins, for instance, which are slightly down, reflect the long-term nature of desalination projects. There are some £120m. worth of orders for these plants

HIGHLIGHTS

Profits at Associated Portland Cement are some £6m. higher with the overseas side more than making up for the shortfall in the U.K. Ladbroke is in line with market estimates with the casino side the main prop following a slight setback on the betting side. International Stores is offering over £20m. for F. J. Wallis, in which it has already taken up a stake of 50 per cent. Lex also takes a look at Standard Trust which is to respond to the unitisation proposals put forward by Schlesinger Trust Managers. More activity on the bid front has been the increase bid by Babcock Wilcox for Herbert Morris and a share and cash offer by Pilkington for Barr and Stroud. Profits at Weir are £1.3m. higher although long term contracts have distorted margins.

£0.78m. peak for Bronx Engineering

WHICH WILL TAKE FOUR OR FIVE YEARS to complete. Profits, thanks to the new SSAP regulations, will start coming through towards the end of this year. At the other end of the accounts, the drop in earnings is due to the higher deferred tax charge and the dilution on conversion of the convertibles, but this, of course, plus the repurchase of debentures (accounting for half the extraordinary item), has improved gearing. The downturn in associates also hides the start-up costs of a new joint venture in France, while the drop in engineering profits is due to the reorganisation leading to the Yoker closure. Castings in the foundry division have added £1m. to profits and, together with desalination contracts, should be the main growth centres. There should, therefore, be room for movement in the share price which at 5p yields 5.6 per cent, where the dividend is covered 3.4 times even on the distorted earnings.

Trafford Park ahead at midterm

AFTER A FORECAST last year that current year's profits would show an improvement, despite the curtailment in the development programme, pre-tax profit of Trafford Park Estates for the half-year to end December, 1976, rose from £271,521 to £358,407. Turnover was up at £1.28m. against £1.12m.

The interim dividend is raised from 1.4022p to 1.5431p net per 25p share. Last year's total was 3.2377p from pre-tax profits of £546,928.

	1976	1975
Turnover	1,275,229	1,120,221
Operating profit	78,716	62,299
Wearing and tear	511,513	483,536
Profit before tax	326,907	278,822
Taxation	13,420	12,221
Net profit	313,487	266,601
Attributable	289,222	167,773
Interim Ordinary	125,399	118,715

completed this year the traditional heavy second half bias will also be evened out. At 33p the dividend yield is just 7.0 per cent but it is more than four times covered.

19% rise at Bury & Masco

AN INCREASE of 19 per cent in pre-tax profit from £732,000 to £874,000 is reported by Bury and Masco (Holdings) for 1976, after a jump from £268,000 to £445,000 at half-time. With the exception of the automotive based division, all areas showed a marked improvement over 1975, says Mr. B. L. Allen, the chairman.

Activity continues at a fairly high level in the current year, he adds, with sales for the first two months being up on 1976.

A final dividend of 2.987p net per 17.5p share lifts the total by the maximum permitted from 3.858p to 4.289p. Stated earnings were up from 5.5p to 7.5p.

Mr. Allen says that U.K. sales at 70 per cent of total turnover were slightly up on the previous year, but significant increases in overseas activity have been gained.

The group has interests in the manufacture and sale of textile products.

	1976	1975
Turnover	5,000	4,980
Trading profit	11,678	11,778
Interest receivable	17	29
Interest payable	17	22
Finance charges	17	22
Taxation	17	22
Net profit	17	22
Extraordinary item	17	22
Dividends	17	22
Retained	17	22

comment
Bury and Masco's full-year profits reveal an 8 per cent pre-tax drop in the second-half after a rise of two-thirds at half-time. The group attributes this largely to the inclusion in the second half of the previous year of an exceptional contract for the sale of technology to an Eastern European country. But even without this there seems to have been some loss of impetus. The main boost came from exports, which saw a 51 per cent jump in sales, and the U.S., where turnover and profits recovered to around 13 per cent of the total against 9 per cent last time. U.K. sales rose by around 20 per cent, reflecting a small volume gain and are moving at about the same pace in 1977 so far in line with the rest of the textile sector. With some recovery still left in the U.S. and exports holding their position, the group could top the £923,000 peak of 1974, in the current year. In the meantime the shares, at 33p are on a yield of 13.0 per cent and a p/e of 6.9.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Current payment	Current payment
A.P. Cement	5.77	May 16	5.25	2.86
Boddingtons Breweries	1.51	May 12	0.75	1.39
Bronx Engineering	1.05	May 12	0.95*	1.41*
Bury & Masco	2.99	April 25	1.14	4.24
City & Inland Trust	1.3	May 10	1.74	2.75
C.S.C. Trust	2.13	—	3.61	5.25
Hall Bros.	3.81	May 9	2.25	3.5
Home Counties Newsprint	2.75	May 15	1.05	1.51
John L. Jacobs	1.2	May 15	2.98	4.53
Leadbroke	2.5	—	1.1	1.1
Malayan Tin Drilling	4.0	May 13	4.0	0.88
Montague Boston Inv.	0.88	April 22	1.88	1.88
Ricardo (Eng.)	3.88	April 27	4*	1.5
Riverway Rbbr. Exts. Int.	5.01	Nov. 5	0.81	2.1
Scottish North. Inv.	1.99	—	1.95*	2.15
Scottish North. Inv. Int.	1.23	—	1.5	1.99
Sharna Ware	1.17	May 13	4	11.5
South. Malayan Tin Int.	4.5	—	1.57	2.83
Tioxide	1.57	April 28	1.63	2.83
Tomatin Distillers	1.37	May 9	2.0	2.0
Trafford Park Ests. Int.	1.54	April 29	1.97	2.39
Watmoughs	2.15	—	2.3	4.79*
Weir Group	3.19†	—	—	—

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Malaysian cents throughout. § To reduce disparity.

Tioxide recovers to £19.82m.

AFTER BEING ahead at half-way Tioxide, a titanium dioxide and titanium compounds producer, Tioxide Group ended 1976 with pre-tax profits of £19.82m. against a depressed £9.2m.

The directors state that an increase in sales volume which began in late 1975 continued during the first half of 1976 but stopped improving in the second half. All companies in the group produced improved results, they say. The recovery in profit came partly from the increase in sales volume and from the better margin on exports due to the fall in sterling, they say that, although competition is severe in all markets, demand is moving upwards and they expect the group to sell an increased tonnage during 1977.

Profits are shown to be almost doubled at 43.5p (22p) per £1 share but because of the large capital programme the dividend is held at 14.85p net, with a final of 5p.

Of the group's £1m. Ordinary shares, Imperial Chemical Industries holds 43.5p per cent, Lead Industries 45.5p per cent, and Federated Chemical Holdings 12.5p per cent.

Sharna Ware over £0.5m.

AS FORECAST at half-time, when taxable profit was up from £30,157 to £89,814, plastic ware manufacturer Sharna Ware achieved an advance in profit for 1976 of £188,828 to a record £507,048. Sales were better at £10.88m. against £8.42m.

The directors state that liquidity has again improved and subject to any major deterioration in the economy the group's progress should continue in 1977.

Stated earnings per 20p share were 14.16p (9.93p) on capital increased by one-for-three scrip issue and a final dividend of 1.17p makes a maximum permitted total of 2.145p against an equivalent 1.95p.

Tax took £226,898 (£123,864) leaving a net balance of £280,148 (£183,854).

The wholesale division showed sales up from £6.83m. to £7.63m. with a corresponding increase in profit.

Toyimpex in Switzerland, and Bradford-based carpet ware house operators Parker and Butler, both acquired during the year contributed to profit and the Swiss company is expected to strengthen exports by the manufacturing division.

Hirst and Mallinson policy row

A row has broken out between the Board of Hirst and Mallinson, a Huddersfield-based conglomerate, and major shareholders over the future policy of the company.

The major shareholders are Wiggins Mead, led by Mr. Jeffrey Pike, former chairman of Tremlett and associates including Mr. David Abell, director of British Leyland Special Products, who together have control of 22 per cent of Hirst and Mallinson.

At H and M's annual meeting yesterday, Mr. M. D. Crompton, chairman of Hirst and Mallinson, told shareholders that at a meeting on March 14, amplified the following day, Mr. Pike and Mr. Abell gave some indication of the plans which they proposed for Hirst although they said they had no intention of increasing their holding.

The plans, says Mr. Crompton, were that Mr. Pike could bring business to the group and that the group would purchase companies introduced by Mr. Pike with a view to selling them at what was hoped to be a capital profit.

The Board of H and M says that the use of the company as an instrument for the purchase and disposal of companies is "against the interest of its shareholders, employees and the community at large."

In reply yesterday, Wiggins Mead said that H and M's statement had "little relevance to the

Boddingtons 36% at record £2.9m.

AFTER being up from £0.7m. to £1.24m. at half-way, pre-tax profit of Boddingtons Breweries increased by 36.6 per cent to a record £2.91m. during 1976, on turnover of 40.6 per cent. ahead at £14.98m.

£1.42m John L. Jacobs

Mr. Ewart A. Boddington, the chairman says the continued progress of the company is once again a reflection of the popularity of locally-brewed beers, which represent 80 per cent of total sales. During the year, sales in volume increased by 23.5 per cent, and own beer increased by 25 per cent.

To meet the continuing rise in sales of beer, the company's investment programme of £1.6m. in new production capacity is well advanced, and should be completed by mid-1978, he adds.

Sales since the beginning of the year continue to show a satisfactory increase, Mr. Boddington reports.

	1976	1975
Turnover	14,982	12,800
Trading profit	1,232	2,528
Finance charges	57	57
Desalination	2,908	2,127
Profit before tax	1,526	1,635
Taxation	1,329	1,129
Extraordinary items	1,237	1,500
Minority interests	225	150
Interim dividend	225	225
Final dividend	225	225
Retained	123	80

Setback at Tomatin Distillers

AFTER A STRAIGHT decline against the £0.24m. at half-way, pre-tax profit of Tomatin Distillers fell 1976 to £0.15m. against £0.24m. Turnover was higher at £7.5m. against £6.9m.

Stated earnings were 4.1p against 3.8p before extraordinary items and the final dividend of 1.975p net per 25p share lifts the total from 2.435p to 2.685p.

The directors state that the group's 1976 Ordinary shares, Imperial Chemical Industries holds 43.5p per cent, Lead Industries 45.5p per cent, and Federated Chemical Holdings 12.5p per cent.

BLUE CIRCLE GROUP

The Board of Directors of The Associated Portland Cement Manufacturers Limited announce the following results for the Group for year 1976, subject to completion of audit, with re-stated open figures for 1975—

	1976	1975
Turnover	360.0	360.0
Trading Profits:		
UK	20.6	20.6
Overseas	11.0	11.0
Share of Profits of Associates	31.6	31.6
Investment Income	16.9	16.9
Finance Charges	3.8	3.8
Profit before Taxation	52.3	52.3
Taxation	6.9	6.9
Profit after Taxation	45.4	45.4
Interest of Minority Shareholders	22.6	22.6
Group share of profit after taxation	22.8	22.8
Dividends paid and proposed	4.4	4.4
	18.4	18.4
Earnings per £1 Ordinary Stock Unit	6.8	6.8
	22.3p	22.3p

The Board propose to recommend a final dividend of 5.7744 pence

£1 Ordinary stock Unit of the Company (1975 5.254p) in respect of year ended 31 December, 1976, which, together with the interim dividend of 2.59 pence (1975 2.35p), makes a total dividend for the year of 8.4 pence, being the maximum permitted under current Counter Inflation Legislation.

Group share of profit after tax amounts to £18.4m compared to £14 for the previous year, an increase of 24.3%. The tax charge for the year has, however, been reduced by £1.5m in respect of prior years and, adjusting for this the increase in profit would be 14.2%. This year a final dividend of 5.7744 pence, together with the interim dividend of 2.59 pence, makes a total dividend for the year of 8.4 pence, being the maximum permitted under current Counter Inflation Legislation.

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This announcement appears as a matter of record only.

March 1977



The Kingdom of Sweden

U.S. \$ 1,000,000,000

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Agent

CU shows progress

THE ANNUAL report and accounts of the Commercial Union Assurance show that shareholders' funds stood at £358m. at the end of 1976 compared with £282m. at the beginning of the year. Retained profits jumped to £182m. from £104m. and unrealised gains on investments, after tax, climbed to £39m. from £31m. Life funds rose during the year to £333m. from £499m.

Group investments, excluding life, increased to £1.88bn. from £1.45bn. and comprised securities £1.20bn. (£940m.), cash deposits £164m. (£127m.), property £241m. (£204m.) and mortgages and loans £271m. (£214m.). Investment income during the year jumped by £22m. to £124m. but £13.6m. of this rise came from changes in exchange rates.

The general investment pattern in 1976 was such that although new money was invested when received, the overall proportionate distribution of investments within the portfolios remained virtually unchanged.

Sir Francis Sandilands in his chairman's review attacks both the Labour Party's National Executive committee's proposals to nationalise the seven largest insurance companies and the alternative proposal of Government ownership of insurance companies. The nationalisation proposals are based on very poor research and are largely without logic. In his opinion insurance companies under Government ownership would no longer command the respect and confidence of overseas clients, and would result in the industry's contribution to invisible earnings, suffering.

Sir Francis also refers to the Wilson Committee's enquiry into the City and states that he welcomes the announcement that it will publish evidence received ahead of its report. This will give the City an admirable opportunity to place on public record the value of its achievements both in respect of its foreign currency earnings and the service rendered to British industry to meet investment demands.

He suggested however that it will be a mistake if the subject of investment by financial institutions are reported separately from the other matters under consideration. Investment decisions are necessarily influenced by a number of constraints and particularly those arising from the nature of the liabilities of the institutions. He thinks that it is unlikely that useful and constructive consideration could be given to the existing arrangements for channelling savings into trade and industry without a full examination of all matters covered by the Committee's terms of reference.

The majority report of the Bullock Committee is also criticised by Sir Francis, who considers that early legislation on the immediate proposals could be very damaging to the efficiency and wealth creation capacity of British industry. In his opinion it is essential that management should be left free to manage and not be forced into a straitjacket. He supported the stand taken by the CBI on these proposals.

Commercial Union's accounts provide an opportunity for re-examining the solvency margin on a basis which is more comparable with the rest of the industry. To published shareholders' funds of £358m. may be added a provision of £26.6m. on unrealised investment gains plus the extreme weather provision, net of tax, if you then knock out the investment in overseas life funds plus furniture and fittings and some part of the mortgages and loans, net worth comes out at something like £380m.-£390m. After adding in the Estates House acquisition, that takes the margin up, to nearly 35 per cent—not so far short of the figure for the Royal Exchange. Elsewhere, it is worth recording that the equity content of the portfolio has fallen from 35.5 to 29 per cent. at market values. Statement, Page 26

A Record Year for Northern Rock



Mr. K.A. Clark, T.D., F.R.I.C.S., Chairman

The importance of Building Societies in the social-economic life of the country was emphasised by Mr. K. A. Clark, Chairman of Northern Rock Building Society, in his speech to the Annual General Meeting (22nd March 1977).

The Chairman highlighted record progress in all departments at Northern Rock.

During 1976 Northern Rock:

- HELPED 11,700 borrowers with house purchase, improvement loans totalling £80.5 million
- RECEIVED £168 million from investors and savers
- OPENED 67,000 new investment and savings accounts
- GREW by 15.68% to top £251 million assets
- INCREASED reserves to £12.6 million representing 3.87% of total assets.
- EXTENDED services to members with 10 new offices throughout the country.

Save safe with Northern Rock

A Countrywide Building Society

Chief Office: Northern Rock House, P.O. Box N Gosforth, Newcastle upon Tyne NE3 4PL. Telephone: 0632 857191

BRANCHES AND AGENTS THROUGHOUT THE U.K. Member of the Building Societies Association. Authorised for investment by I.C.I.C.

Rediffusion TV growth

IN THE six months to January 29, 1977, Rediffusion Television harvested increased advertising revenue and improved profits from its subsidiary Thames Television and this contributed to taxable profits for the period finishing £0.84m. higher at £3.43m. For the last full year the total was £8.05m.

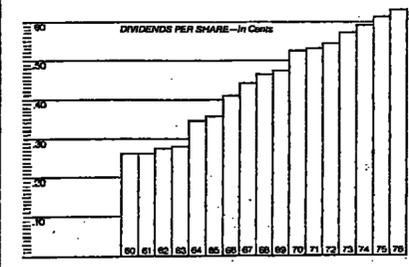
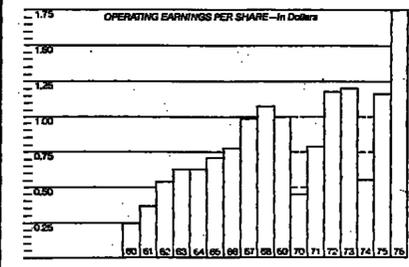
	1976-77	1975-76
Group turnover	21,286,000	17,213,000
Trading profit	5,055,400	2,882,000
Interest receivable	1,508,400	1,270,000
Interest payable	181,458	42,100
Profit before tax	5,335,400	4,491,000
Taxation	2,200,100	2,273,100
Net profit	3,135,300	2,217,900
Minority profits	77,200	68,500
Attributable	1,746,400	1,682,500

The directors of Rediffusion Holdings (also controlled by BET) are forecasting another loss for the current year to March 31, 1977. They state that this is due to further substantial interest charges incurred by Westdeutsche Stadium, a subsidiary in financing its building developments at Wembley. For the same reason the company ran into a loss of £230,794 in 1975-76. No interim dividend is to be paid—the last dividend was a single 2.25p in respect of 1974-75.

The company is a subsidiary of British Electric Traction Company

Transamerica 1976 Report

Profits and revenues set records in 1976: operating income advanced to \$114.4 million (\$1.75 per share) on revenues of \$2.7 billion.



highest in the motion picture industry for 1976 and the highest in UA's 57-year history.

Trans International Airlines, our charter air carrier, reported a good profit for the year on a new high in revenues. A major accomplishment during 1976 was completion of the merger with Saturn Airways, a specialist in air cargo. The merger gives TIA a 35-aircraft fleet, augmenting its position as the world's largest all-charter air carrier.

Budget Rent a Car posted its second best earnings year with advances in revenues and fleet size. Budget is now represented in over 200 air terminals worldwide.

Revenues and profits of Delaval Turbine, our only manufacturing subsidiary, rose to new highs in 1976. Delaval is a major supplier of engineered products to the energy, marine, petrochemical and process control markets.

Cash Dividend Increase. In 1976 Transamerica once again raised the dividend on its common stock. The dividend was increased over 6 percent to 66 cents per share.

Refinancing With Fixed Rates. We also moved to further strengthen our sound financial position in 1976. Two more long-term, fixed-rate issues totaling \$100 million were successfully offered to the public during the year. Proceeds from these issues will be used to finance future growth and replace variable-rate with fixed-rate debt.

Future Outlook. Transamerica has just concluded a banner year, our best ever. We enter 1977 in strong financial condition and with excellent momentum. Barring any unforeseen major economic upheavals, we look forward to another year of improvement in revenues and earnings.

John R. Beckett
John R. Beckett
Chairman and President

Transamerica
For a copy of our annual report write:
Corporate Relations Department, Transamerica Corporation,
600 Montgomery Street, San Francisco, California 94111.

The year's highlights. Led by Occidental Life, life insurance operations recorded another strong year with new highs in revenues and operating earnings. Life insurance continues to produce the major share of corporate earnings and provides the foundation for future growth.

Transamerica Insurance, our property/casualty insurance subsidiary, recovered from a difficult 1975 with its best year ever.

Our consumer lending company, Transamerica Financial, reported a record year with a 40 percent gain in earnings over 1975.

Transamerica Title Insurance Company, aided by an improved real estate market in the West, increased earnings and revenues to new highs. Entertainment operations of United Artists enjoyed an outstanding year with a strong gain in earnings. Theatrical revenues were the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.

DM 150,000,000 7% Deutsche Mark Bonds of 1977, due 1985

Private Placement March 1977 DG BANK Deutsche Genossenschaftsbank

This advertisement complies with the requirements of the Council of The Stock Exchange.

Inchcape (Bermuda) Limited

(Incorporated with limited liability in the Islands of Bermuda)

U.S. \$35,000,000 6 3/4% Convertible Guaranteed Bonds 1992

Guaranteed as to payment of principal, premium (if any) and interest by, and convertible into Ordinary Shares of,

Inchcape & Co. Limited

(Incorporated with limited liability in England)

The following have agreed to subscribe or procure subscribers for the Bonds:—

- Baring Brothers & Co., Limited
- Credit Suisse White Weld Limited

The Bonds, issued at par, have been admitted to the Official List by the Council of The Stock Exchange. Interest is payable semi-annually in arrears on 15th April and 15th October, commencing on 15th October, 1977.

Particulars of the Bonds and of the Company are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 7th April, 1977 from the brokers to the issue:—

- Hoare Govett Limited, Atlas House, 1 King Street, London EC2V 8DU.
 - Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AU.
- 23rd March, 1977

POINTMENTS

Managing Director.

Refractories. £15,000 p.a.

For the Division of a British public company which manufactures refractory products from several U.K. works for home and export markets. Sales are about £10m. The post is based in Northern England.

Candidates, (male or female), aged about 40, must have a proven record of profit orientation in general management from a manufacturing company with industrial markets at home and abroad.

Experience of refractory materials is very desirable though this could have been acquired in one of the hot process user

industries. Strong financial and commercial acumen are essential, together with an appropriate professional qualification, e.g. Metallurgy, Ceramics or Mechanical Engineering.

Given success, wider responsibilities could follow. Non-contributory pension scheme, Dairlink car and other benefits commensurate with this level are offered.

Bull Holmes

Please write in confidence with brief relevant career details to H. C. Holmes, Bull, Holmes (Management) Limited, 45, Albemarle Street, London, W1X 3FE.

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7 km. from autostrada exit Villa easily convertible to hotel, residence, nursing home, clinic, study centre, rest home, etc. 120 beds, ample reception rooms, very large park. 120,000 sq. m. completely fenced.

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Beverly Hills, California

Approx. 3 1/2 acres with 20,000 sq. ft. main house, guest house, swimming pool, jacuzzi, cabana, with kitchen, tennis court, full service.

PRICE \$850,000.00

Call (213) 273-5540 or write Richman and Herman, Attorneys at Law, 9601 Wilshire Blvd., Suite 632, Beverly Hills, CA 90210.

BUILDING LAND AND SITES

BUILDING LAND

Two Residential Development Sites with Dev. T.P. for 4 Bed Dets. Houses.

FLEET, HANTS

9 Det. Houses attractive woodwork etc.

OFFERS INVITED FOR FREEHOLDS

Apply to: SMITH BATHSON & CO., 64 High Street, Epsom, Surrey. Tel: Epsom 2254/2200

CONTRACTS AND TENDERS

PUBLIC WORKS DEPARTMENT - ABU DHABI

UNITED ARAB EMIRATES

BU DHABI POLICE HEADQUARTERS PROJECT

Public Works Department for Abu Dhabi, U.A.E., is international building contractors to announce interest in being prequalified to bid the ABU DHABI POLICE HEADQUARTERS project.

The project is a complex of buildings covering a total construction area of 21,500 sq. m. to be constructed on an area of approximately 50,000 sq. m. in an area to be located near the airport road (mid-distance between town centre of Abu Dhabi and its airport). The project is composed of the following basic contents:

- 1. Headquarters Building: Generally 2-level buildings covering a construction area of approximately 10,000 square metres including: (a) General Administration (b) Technical Sections (c) Library (d) Assembly Hall

- 2. Barracks: Two-level buildings covering a construction area of approximately 4,000 square metres including all facilities.

- 3. Forensic Laboratory: Six-level building covering a construction area of approximately 5,750 square metres including: (a) Administration (b) Technical Sections (c) Assembly Hall

- 4. General Services Buildings: Covering a construction area of approximately 1,500 square metres.

- 5. Fence and Entrance Gates

- 6. Landscaping and Car Parks

Qualified contractors will be invited to collect tender documents by the end of May 1977. But for qualification questionnaire interested parties are requested to apply in writing to:

KHATIB & ALAMI (Consolidated Engineering Co.)

Abu Dhabi Office: P.O. Box 2732 - Tel: 43400

Dubai Office: P.O. Box 5091 - Tel: 22203/4

Sharjah Office: P.O. Box 688 - Tel: 24144

Questionnaires must be returned by 12.00 a.m. on 17th April, 1977.

MOHAMMED BIN BUTTI Chairman of PUBLIC WORKS DEPARTMENT

MINING NEWS

Newmont seeking £100m for NW Cape mine

BY KENNETH MARSTON, MINING EDITOR

FURTHER details have emerged in Johannesburg on the big base metal prospects in South Africa's North West Cape, highlighted in this column on March 16. Mr. Gordon Parker of O'Neil, controller by America's Newmont Mining, which has a stake in the big Gamsberg zinc-lead find, said yesterday that feasibility studies had been completed and attention was now being turned to financing of the mine.

He estimated that about 1150m (£100m) would be needed to bring it to production, apparently at a rate of 3m. tons of ore per year; reserves have been put at 100m. tonnes grading 7.4 per cent zinc and 0.5 per cent lead. Only 200m. tons of this sum, which will be mainly loan capital, will be sought within South Africa with Union Corporation, which already has an association with Newmont, the most likely partner.

On the question of infrastructure in this remote area, Mr. Parker said that arrangements also worked below capacity, but a cost reduction programme in addition to the benefits of 1975 price rises allowed the profits contribution to mount to £63.8m. last year compared with £57.7m. in 1974. Dividends totalled \$61 (53p) per share in 1975.

Although the return on consolidated net assets was 3.5 per cent, compared with 1 per cent in 1975, Falconbridge's president, Mr. Marsh Cooper, states in the annual report "By any measure, the return is unsatisfactory and it will remain so until metal prices reach levels which recognise the tremendous inflation in costs, which has occurred in recent years."

Integrated nickel operations provided a profits contribution of \$54.7m. after making a loss of \$55.4m. in 1975. But production through into 1976 and at the year end output was still considerably lower than capacity.

Falconbridge's operation in the Caribbean republic of Dominica

had been concluded for the supply of water and electricity, but that economic conditions did not at present favour construction of a rail spur from the new Sishen-Saldanha iron-ore line.

This would cost \$50m. for about 90 miles of railway. Instead, Newmont and Phelps Dodge (which owns a neighbouring copper-lead-zinc-silver property) are to build an all-weather dirt road.

Mr. Parker also said that a pilot plant for electrolytic zinc production had been established in association with the Government-sponsored National Institute for Metallurgy.

The Phelps Dodge and Newmont zinc finds remain the two big prizes so far in the area, but Johannesburg Consolidated is still exploring its Putsberg copper-zinc find, about 25 miles south-east of Pofadder. The latest word on the latter is that metallurgical problems have been resolved, but grade is relatively low and proven tonnage too small at present to

justify the establishment of a mine. To the north, on the Haib River, Rio Tinto-Zinc continues to evaluate its large but low-grade copper prospect at Woodliff, where average grade is even less than at the group's Palabora mine at 0.35 per cent, and capital costs in today's terms are somewhat intimidating.

ROUND-UP

Australia's major nickel producer, Western Mining, anticipates a higher operating profit in the first half of the current year to June 30 thanks to the impact on export revenues of the country's devaluation together with better metal prices and increased dividend income. As already reported, first half profits recovered to \$7.05m. (\$4.51m. from \$5.46m. in the same period of the previous year and the interim was raised to 3 cents from 2.5 cents. The 1975-76 total was 5 cents.

Despite sharply increased profits for the first half of the current year to June 30, unchanged interim each of 4p net are declared by Malaysian Tin and Southern Malayan Tin. Increases in the annual will be looked for, especially in the case of Malaysian whose tin concentrate production for the first eight months amounts to 2.11 tonnes compared with 1.524 tonnes in the same period of the previous year.

South Africa's Federal Mining and Union Corporation, reports a 1976 taxed profit of R25m. (£16.5m.). The profit for 1975 was R13.3m. but it is pointed out that figures are not readily comparable owing to certain rationalisations, which include the acquisition of a majority stake in Union Corporation.

Australia's Thiess Holdings says that its profits for the half-year to December 31 last will show a continuation of the strong earnings performance of recent years. The figures are expected to be announced to-morrow. Thiess earned \$11.24m. (£7.2m.) in the 12 months to last June.

Falconbridge rebounds

WITH INTEGRATED nickel operations swinging back into profit last year, Canadian Falconbridge registered a sharp improvement in consolidated earnings. They were \$C14.7m. (\$8.1m.) against only \$C3.2m. in 1975. Dividends totalled \$61 (53p) per share in 1975.

Although the return on consolidated net assets was 3.5 per cent, compared with 1 per cent in 1975, Falconbridge's president, Mr. Marsh Cooper, states in the annual report "By any measure, the return is unsatisfactory and it will remain so until metal prices reach levels which recognise the tremendous inflation in costs, which has occurred in recent years."

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Falconbridge's operation in the Caribbean republic of Dominica

MINING BRIEFS

LONDON TIN—Analysts of the tin market estimate that February output will be 12,000 tons.

NEW ZEALAND—The Government has announced that it will be looking for a 10 per cent increase in the price of nickel ore.

UNITED STATES—The price of nickel ore has risen to \$1.25 per tonne.

WEST AFRICA—The price of zinc ore has risen to \$1.50 per tonne.

WEST AFRICA—The price of copper ore has risen to \$1.80 per tonne.

WEST AFRICA—The price of lead ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of silver ore has risen to \$1.50 per tonne.

WEST AFRICA—The price of cobalt ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of manganese ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of iron ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of uranium ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of thorium ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of niobium ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of tantalum ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of tin ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of antimony ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of arsenic ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of bismuth ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of molybdenum ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of selenium ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of tellurium ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of vanadium ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of chromium ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of manganese ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of iron ore has risen to \$1.20 per tonne.

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WEST AFRICA—The price of tin ore has risen to \$1.20 per tonne.

WEST AFRICA—The price of antimony ore has risen to \$1.20 per tonne.

REPORTS TO MEETINGS

Imperial Group well poised

At the AGM of Imperial Group people they were essential for the full enjoyment of life.

Mr. J. D. Pite, chairman, said that unless some blow was struck at the group—perhaps in next week's Budget—he expected the half-year results to show some slight advance—and this despite artificially high sales in the corresponding period last year following a change in the tobacco duty structure. Beyond that the improverables were much greater. The pay policy, the control, fiscal policy, inflation—even the weather affected the group. But, against that, its previous year, and that the group had proved itself well poised for increased wide appeal. Indeed, to many success in 1976 and beyond.

FNFC needs a miracle

Shareholders of First National Finance Corporation, the troubled secondary banking concern which has incurred heavy losses, were told yesterday that a miracle would be needed for their company to achieve recovery. Mr. John Glyn, who became chairman after heavy support had been provided for the group from Mr. Glyn's then called for a poll at the annual meeting. "The outlook here is still extremely pessimistic," the already received proxies in company was still making losses, although at a lower level than last year.

Management accounts for the first four months of the current year showed losses of some £5m. and 1,240,125 against the accounts for the year to October 31, 1976 and the future of the group's £53m. in the ten months before that. "We need a miracle to achieve the turnaround we seek," said Mr. Glyn, who added, however, "while there is life there is hope."

Facing challenges from shareholders about the £120,000 compensation paid to former directors, including Mr. Pat Matthews, who built up the group, Mr. Glyn said: "There is no loan from the lifeboat." Mr. Glyn said that high interest rates over the past 12 months had contracted. In the case of Mr. Matthews, the chairman stressed that the cost to the company of the results to Mr. Matthews had continued to the extent of £2m. a year. The work could have been at least £20,000. Mr. Glyn disclosed that Mr. Matthews received compensation than assets."

WME HALF YEARLY REPORT TO SHAREHOLDERS 28 weeks ended 11/1/1977

The unaudited consolidated financial results are detailed in the accompanying tabulation.

Table with 4 columns: Latest Half Year to 11/1/1977, Previous Corresponding Period, Variation, % Variation. Rows include 1. (a) Gross revenue excluding sales tax, (b) Amount in (a) derived from non-trading activities, 2. (a) Consolidated operating profit before income tax, (b) Less income tax payable, (c) Consolidated operating profit, (d) Less minority interests of outside shareholders in subsidiary companies, (e) Operating profit attributable to members of the company, (f) Less abnormal item—provision for write-off—Mangrove Sand Operation (after income tax), (g) Operating profit and abnormal item attributable to members of the company, (h) Less extraordinary items—provision for diminution in value of gold investments (after income tax), (i) Operating profit and abnormal and extraordinary items attributable to members of the company, Return of shareholders' funds.

Table with 4 columns: First Half 28 weeks ended 11/1/1977, First Half 28 weeks ended 11/1/1976, First Half 28 weeks ended 11/1/1977, First Half 28 weeks ended 11/1/1976. Rows include Nickel Production, Kambalda Ore treated tonnes, Concentrate produced, Nickel contained—tonnes, Widdowson (WMC share) Concentrate produced, Nickel contained—tonnes.

Notes: (i) Interest on borrowings, including interest on bank overdrafts, charged as an expense. (ii) Depreciation including amortisation. (iii) Exploration expenditure written off. Note: Provision for tax does not include any benefit from partial abatement valuation adjustments announced by the Treasurer in August, 1976. Legislation to effect these adjustments is yet to be introduced.

Operations: Nickel Production: Kambalda Ore treated tonnes, Concentrate produced, Nickel contained—tonnes, Widdowson (WMC share) Concentrate produced, Nickel contained—tonnes.

Widdowson (WMC share) Concentrate produced, Nickel contained—tonnes. Kambalda Ore treated tonnes, Concentrate produced, Nickel contained—tonnes.

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Widdowson (WMC share) Concentrate produced, Nickel contained—tonnes. Kambalda Ore treated tonnes, Concentrate produced, Nickel contained—tonnes.

Record for Northern Rock

Save the Northern Rock

Record for Northern Rock

Save the Northern Rock

Record for Northern Rock

Save the Northern Rock

Record for Northern Rock

Save the Northern Rock

BIDS AND DEALS

Standard Trust considering unitisation approach

A NEW dimension was opened yesterday in the bid by British Rail Pension Funds for Standard Trust... Standard Trust is considering a unitisation approach...

Shares in a unit trust, Schlesinger thinks that this might not be the case... Schlesinger is considering a unitisation approach...

Barbshire, (chairman of FMC) and Mr. Claret (deputy chairman)... Barbshire is considering a unitisation approach...

BEJAM SALE AND LEASEBACK... Bejam Group is to sell to a major pension fund the recently constructed cold store building...

BROWN MUFF... The Board of Brown Muff is issuing its recommendation to accept the offer from the House of Fraser...

BORTHWICK/FMC... Thomas Borthwick and Sons has arranged a meeting with the Board of NPJ Development Trust...

BAT buying Wallis Barr & Stroud accepts £6m

BAT Industries' retailing subsidiary, International Stores, has bought control of F. J. Wallis, the supermarket chain, in a takeover bid worth £21m.

Morris turns down 205p... Babcock and Wilcox increased its offer for each share in Herbert Morris from 148p to 205p...

LACTORIES TWO... As part of its rationalisation programme LRG International announces the disposal of two factories...

JOHNSON GROUP DIVIDEND... Shareholders in Johnson Group are to receive a dividend of 25p...

NORWEST CONSORTIUM... The consortium in Northwest Consortium has recently appointed Messrs R. J. Hall and R. J. Hall as directors...

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are as in the Association regrets that this table did not appear in the first edition of the Financial Times last Friday, 18 March. It is reprinted here for those who may have missed it then.

Table with columns: Total Assets less current liabilities, Company, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value after deducting prior charges, Investment Currency Premium, Total Assets less current liabilities, Company, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value after deducting prior charges, Investment Currency Premium.

* Applies to Ordinary/A... (a) Col. 1, 4, 7... (b) Col. 1, 4, 7... (c) Col. 1, 4, 7... (d) Col. 1, 4, 7... (e) Col. 1, 4, 7...

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Bayer maintains profit recovery

NICHOLAS COLCHESTER BONN, March 22

AG, the West German last year, compared with concern, stayed firmly DM685m. the year before. In sharp path in the final 1977—the management plans of 1976, according to a spend DM700m. or thereabouts. A report released by Bayer International Finance...

CIBL's fees still higher than interest

By Mary Campbell

CITICORP INTERNATIONAL BANK (CIBL) the London-based merchant banking subsidiary of First National City Bank, has reported pre-tax profits of \$3.5m. (\$9.9m.) in 1976 up from \$3.6m. the previous year.

Excise duties hit store shares in Johannesburg

BY RICHARD ROUPE JOHANNESBURG, March 22

THOUGH A few favourable signs have developed recently for Johannesburg Industrial shares, the mood in the key stores sector has turned decidedly bearish. The sector index has fallen to 206 from 233 at the beginning of the month.

Smit Internationale shares introduced on Dutch bourse

BY MICHAEL VAN OS AMSTERDAM, March 22

THE CERTIFICATES of shares such as an "exceptionally high" of Smit Internationale, the lead- ing ships towage, salvage and supply vessels company which has subsidiaries in six countries, which employs about 3,400 people and which has more than 300 sea-going units, is not disclosed for competitive reasons.

Oil imports rise foreseen

AMERICAN NEWS OKLAHOMA, March 22

U.S. imports of petroleum are expected to total around 8.3m. barrels per day in 1977, compared with 7.3m. in 1976, Mr. W. Martin, chairman and chief executive officer of Phillips Petroleum, said in a report to shareholders.

Profits soar at BUHA

ICIAI TIMES REPORTER

ING on a share capital half-way through the Am. Banco Uruguay Hispanico Limited, the owned merchant and bank holding consortium, its 1976 profits by 154.1 to \$1.275m. It was sd in London.

Dividend unchanged at Metall AG

THE SUPERVISORY Board of Metallgesellschaft AG decided on Monday to propose an unchanged dividend of DM5 per share for the fiscal year ending September 30, 1976, the company said.

LMT meets forecasts

BY DAVID CURRY PARIS, March 22

THE FRENCH telephone equipment manufacturer Le Material Telephonique (LMT) which last year passed from a nationally owned telephone company to a French electrical giant Thomson-CSF has reported 1976 figures very much in line with half-year forecasts.

Bayer Int. \$60m. private placement

MARY CAMPBELL

International yesterday a \$60m. private placement in the Eurobond market, an year notes offer 7 1/2 per cent with Deutsche Bank organ Stanley as lead.

Geon expects loss this year

SYDNEY, March 22

GEON INDUSTRIES expects its audited results for 1976 to show a loss of about \$7.5m. comprising provisions for the loss on the previously announced proposed sale of Geon's foreign car replacement parts business and the estimated losses of that business to the date of the sale, reports AP-DJ from Woodbury.

Pioneer profits boost

BY JAMES FORTH

A MARKED improvement in profitability of both Australian and overseas operations enabled Pioneer Concrete Services to boost profit for the December half year. As a result, directors now consider the previous estimates of a 25 per cent lift in group earnings for the full 1976-1977 will prove "conservative."

Y.S. Line (Cayman) Ltd.

Advertisement for Y.S. Line (Cayman) Ltd. featuring a logo and text: "Y.S. Line (Cayman) Ltd. (Incorporated in the Cayman Islands with limited liability) USS25,000,000 7 1/2 per cent. Guaranteed Notes 1984 unconditionally and irrevocably guaranteed, jointly and severally, as to payment of principal, premium (if any) and interest by Yamashita-Shinnihon Steamship Company, Limited"

BONDTRADE INDEX table with columns for Yesterday and Monday, and rows for Medium term, Long-term, and Convertible.

There was little change in the D-mark sector either. Norway's DM200m. issue was launched at a 4 1/4 per cent. coupon in line with the yield on its last issue in this market.

The Sanwa Bank, Limited (Kabushiki Kaisha Sanwa Ginko, incorporated in Japan with limited liability)

Advertisement for North Sea, Inc. a wholly-owned subsidiary of Texas Eastern Corporation. U.S. \$50,000,000. Financing for Development of the Beryl Field in the North Sea. The Royal Bank of Canada.

There were grounds for belief that the total market would not contract further in the foreseeable future. There was still a marked disparity in the level of activity in the Australian states, with New South Wales continuing to be relatively depressed.

- List of international banks and financial institutions including: Algemeen Bank Nederland N.V., Citicorp International Group, London Multinational Bank, Merrill Lynch International & Co., B. Metzler & Co., Nippon Bank Limited, etc.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Sony sales rise in first quarter

SONY CORPORATION reported today that its sales in the first quarter of the current fiscal year to January 31 increased 11.8 per cent. over the same quarter of last year to a new peak of \$453.5m. Net income was up 22.3 per cent. to \$38.5m. The increase in sales was achieved despite a 5.4 per cent. fall in domestic sales. Export sales rose 24.4 per cent. and amounted to more than 63 per cent. of the total. A Sony executive said this might be a record. The ratio of overseas sales to total Sony sales has never exceeded 60 per cent. on an annual basis. Other striking factors in the first quarter results are the weakness of TV sales (down 1.6 per cent. from a year ago) and the strength of video tape recorder sales. The latter increased 70 per cent. over the previous year's level and contributed 11.8 per cent. of sales income. Sony claims to have accounted for 60 per cent. of the value of Japan's VTR sales last year. It is forecasting a sharp increase in VTR sales this year. Production is about 15,000 units a month but is scheduled to reach 40,000 units a month by the end of the year. The production target for this year is about 300,000 units. Sony is selling about 70 per cent. of its VTR output in the U.S. The company said demand was running well ahead of supplies and supplies were being "allocated." Sony has developed a sample VTR using the CGIR system for export to Europe but does not expect to start production for Europe until its 1978 fiscal year. The company is not over-optimistic about the prospects for this year as a whole despite the good start. Consumer demand in Japan is still weak and the company expects exports to be affected by protectionist moves in the U.S. and Europe. The only official prediction so far was a forecast in January by Mr. Kazuo Iwama: Sony's president, that sales and profits would each show a gain of about 15 per cent. Sony executives said today they were pleased with performance and productivity at Sony's TV manufacturing plants in San Diego, California, and Bridgend, South Wales. San Diego is producing sets at the same cost as Sony's plants in Japan. Production at Bridgend is approaching the 5,000 a month target after running between 3,000 and 4,000 units for much of last year. The company said it could not make a direct comparison of productivity at Bridgend and in Japan because the Bridgend operation was a vertical one (a high proportion of parts are made at the plant itself). The reason for the stress on vertical production at Bridgend is what Sony describes as the "low reliability" of parts available from British industry. Sony says the quality of labour at Bridgend varies between excellent, very high and rather low. It is possible, however, to get a mix between the two types which allows a satisfactory performance. Hongkong Aircraft Engineering Corporation, a quoted member of the Swiss Pacific group, increased profits 32.5 per cent. in 1976 to SHK1.60. The final dividend was raised 40 cents to SHK1.60, making a total of SHK3 compared with SHK2.20 the previous year.

Turnover up 20% at Unicem

THE TURIN-based cement group, Unicem, reported today an increase of 20.1 per cent. in turnover from L75.6bn. (about £50.6m.) in 1975 to L90.9bn. (about £60.6m.) last year. The company also announced a profit last year of L1.6bn. (about £1.1m.) after allowing for L11.1bn. (about £7.4m.) depreciation. Unicem said that it sold 4.41m. tons of cement last year compared to 4.04m. tons the previous year which enabled the company to expand its market quota. The company, however, claimed that Government compensation had neither been large enough nor fast enough to offset major increases in production costs. Unicem, according to the company's Board, had managed to record a profit last year largely because of high plant productivity. The company added that last year's cash flow amounted to L12.7bn. (about £8.5m.) against L11.7bn. (about £7.8m.) the year before. As a result of last year's good performance and the company's sound financial position, Unicem has decided to propose at its forthcoming annual general meeting a dividend of L200 which will be funded in part from the company's reserves.

MoDo profit off as costs rise

THE EXPECTATION of an upswing in the business cycle during the past four months of 1976 were not realised, according to the preliminary report by MoDo, the Swedish pulp and paper group, in its preliminary report for 1976. However, they are proposing to pay a dividend of Kr.6.50 per share. The dividend in 1975 amounted to Kr.10 per share which is equivalent to Kr.6.67 per share and which a bonus issue is taken into account. The group profit dropped to Kr.18m. compared with Kr.134m. after provisions but before inventory gains. Including such items at Kr.34m. (Kr.24m. in the previous year) the profit was Kr.52m. (Kr.218 in the previous year), that is Kr.5.50m. lower than forecast in the interim report last October. The past four months of last year therefore show a loss of about Kr.50m. Group sales during 1976 amounted to Kr.1.8bn. compared with Kr.1.5bn. in the previous year, while costs rose from Kr.1.3bn. in 1975 to Kr.1.5bn. in 1976. The increase in traffic not taking place, the result in this sector is better than the previous year. This also applies to the marine service and towing. At the same time bulk and tanker traffic has remained at about the same level as earlier.

Wagons Lits recovers

COMPAGNIE des Wagons Lits et du Tourisme, 100 years old last year, has recovered from its had 1975 results and declared a slightly higher dividend of B.Fr.27 for 1976 (B.Fr.20 for 1975) and B.Fr.20 for Preference shares in the previous year. Net profit after depreciation was B.Fr.473m. (£755,000) compared with B.Fr.206m. in 1975. But company officials point out that profits are still not up to the 1974 level. The cost of diversifying out of the traditional railway restaurant and sleeping car business which led to much of the decline in profits in 1975, are still not completely behind the company. Turnover in rail, hotel and restaurant sectors rose 7 per cent. to B.Fr.7,286m. The travel agency and tourist business (VTR) better, rising 8.3 per cent. to B.Fr.15,372m. Last year Wagons Lits sold its 25 per cent. stake in the British company, Thomas Cook Overseas. This interest had become increasingly unprofitable. STAR PAPER. STAR PAPER referred to in yesterday's report on Kymmene, have asked us to point out that Kymmene bought out the 5 per cent. minority shareholding last May, increasing its own holding to 100 per cent.



A diversified and stable Australian company

CSR Limited (formerly the Colonial Sugar Refining Company Ltd.) is Australia's second largest Australian owned listed company, with gross sales of over \$A1400 million (US \$1.4 billion). CSR is a diversified industrial group operating in sugar milling, refining and services to the industry, minerals and industrial chemicals and building and construction materials.

Sugar. CSR's sugar mills produce about 1 million tonnes of raw sugar each year. CSR refines and supply 96% of Australia's refined sugar. CSR also arranges the sale and shipment over 2 million tonnes of Australian raw sugar exported annually. This represents about one-twelfth of the world's export sugar trade.

Minerals and Chemicals. The Group has interests in projects which coal, iron ore, bauxite, copper and tin and operates industrial chemical plants. Buchanan Boronhole Collieries Pty. Limited (92.65% CSR) mines soft coking coal for export. Capacity is being expanded to 2 million tonnes per year. Fibrosa Iron Ltd. (88% CSR) is a 30% partner in the Mt. Newman iron ore venture, which has an annual capacity of 40 million tonnes. Gova Alumina Limited (51% CSR) owns 51% of the Gove Project in the Northern Territory and has exclusive rights to export 2 million tonnes of bauxite per year as well as its 51% share of alumina from the 1 million tonne year refinery.

Building and Construction Materials. CSR and its associated companies produce wide-range of building and construction materials including cement, concrete, quarry products, clay roof tiles, aluminium window and doors, gypsum wallboard, hardboard, particleboard, fibreglass and mineral wool insulation, vinyl floor tiles and asbestos cement wallboard. CSR has been in business since 1855. It is diversified and stable company with a big stake in Australia's future.

CSR Limited* 1 O'Connell Street Sydney Exchange rate: 7/317.5 A/- = US \$1.10

Options in Amsterdam

THE LONG-PLANNED European Options Exchange (EOE) could be launched in Amsterdam in the first quarter of next year, according to stock exchange officials engaged in the preparatory work. The EOE will be a clearing corporation in the leading European securities listed on the stock exchanges of Amsterdam, London, Frankfurt, Dusseldorf, Brussels, Paris and Zurich. At the request of U.S. exchanges, it is also being studied whether dealings in options of U.S. stocks (before U.S. markets open) can be added to the plan. The committee which undertook the preparatory work said at a press conference here that the trading system will be modelled very closely on that of the Chicago Board Options Exchange. There will be a European Options Clearing Corporation whose role and method of operation will also resemble closely the OCC in Chicago. Although Dutch officials appear confident that the European Options Exchange plans will go ahead, a lot of work will still be needed to pave the way. A European co-ordinating committee has been formed to act as an intermediary between the various stock exchanges. Representatives on a "more or less informal basis" include the Bourses of Brussels, Frankfurt, London, Luxembourg, Paris and Zurich. Stock Exchange officials said that the EOE would take the form of an association under Dutch law and would be "completely independent" of the stock exchanges, operating under its own rules and subject only to Dutch regulations. The ordinary membership of the EOE will only be available to financial institutions or individuals who are members of stock exchanges which in turn are members of the Federation Internationale des Bourses de Valeurs (FIBV) or to subsidiaries and associated companies, as well as to members of "participating" exchanges recognised by the Options Clearing Corporation in Chicago. Associate membership of the EOE will be open to financial institutions if a major share of their activities is security dealing. Banks and licensed dealers in securities who are not members of a stock exchange would probably be accepted as associate members. The organisers add that any ordinary floor member would be required to have both a legal and a physical presence in Holland and would have to buy one or more seats. Associate members would not be required to do this. The EOE should not only serve to raise income of the members; the market is expected to encourage trading in underlying securities in their various national markets. It would also mark an important step forward in international co-operation in the securities business sector. On the trading system, the EOE preparatory commission proposed that the information system will be similar to Chicago and supply information on prices and turnover on the floor of the EOE. Although the floor trading system will be very similar to that of the CBOE, it is likely that there will be some differences in the way orders are generated and transmitted as a result of the multinational nature of the exchange. Most orders will probably be generated by associate members outside Holland and transmitted to a number of floor members who will execute the order on the floor for a share of the commission. Ordinary members of the EOE will be permitted to share commission in this manner only with associate members. The EOE hopes shortly to list options with the provision that the market in the underlying security is sufficiently free. In addition it is intended to deal in options on certain U.S. securities which are widely held in Europe and whose options are also listed in the U.S. In addition, the EOE organisers said it was hoped to list options on former overseas sterling area securities, particularly those of South Africa, Australia, Singapore and Hong Kong. As regards the clearing system, it was stated that the European Options Clearing Corporation would be a limited liability company incorporated in Holland. It would be owned by the EOE and would probably be supervised by the Dutch Finance Ministry and/or the Central Bank. The preparatory commission added that clearing membership would be open to any ordinary member of the EOE which met the necessary financial and other safeguards. No decision had yet been taken as to the likely minimum capital required.

LOCINDUS A BANK SPECIALISING IN LONG-TERM FINANCING FOR COMMERCIAL & INDUSTRIAL PREMISES—SICOMI

The Board of Directors of LOCINDUS met March 4, 1977 to close the Company's Accounts. During the 1976 financial year the Company's liabilities increased by slightly more than Frs. 100,000,000 to reach a cumulated pre-tax gross amount of Frs. 1,023,000,000. Returns, not including tax, reached Frs. 123,208,000 against Frs. 114,231,000 in 1975. Operating profits for the year under review after allowing Frs. 75,335,402 for general expenditures and financial charges and Frs. 32,862,569 against Frs. 28,698,000 in 1975 for amortisation and reserves, totalled Frs. 37,748,436. Taking into account exceptional profits and profits brought forward from the previous year of Frs. 2,135,507, net profits amounted to Frs. 39,886,000 after deduction of Frs. 17,415 on account of companies tax, as against Frs. 34,173,000 in 1975, an increase of 16.66%. The Board of Directors decided to propose to the Annual General Meeting the distribution of a Frs. 23.60 dividend per share, to which no tax credit is attached, representing 85.14% of the exempted net profit. This compares with a dividend of Frs. 20.30 for 1975.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns: STRAIGHTS, Bid, Offer, and various bond types like Alcan 5 1/2% 1988, Australia 5 1/2% 1981, etc.

NOTES

Table with columns: Bid, Offer, and various notes like Australia 5 1/2% 1983, Australia 5 1/2% 1984, etc.

FLOATING RATE NOTES

Table with columns: Bid, Offer, and various floating rate notes like A.M. Irish 3 1/2% 3/16/84, etc.

D-MARK BONDS

Table with columns: Bid, Offer, and various D-Mark bonds like Austria 7 1/2% 1987, etc.

CONVERTIBLES

Table with columns: Bid, Offer, and various convertible bonds like American Express 4 1/2% '87, etc.



Rembrandt country is Rabobank country.

This etching of Rembrandt van Rijn (1606-1669) is typical of one of the aspects of the artist's life: Rembrandt never travelled farther than 60 miles from Amsterdam, and yet he created art with a worldwide appeal. Along the banks of the Amstel River, he sketched the tiny hamlets and sturdy windmills that still dot Holland's flat countryside.

Centrale Rabobank is very much at home in Holland. With its traditional agricultural background, Centrale Rabobank heads a co-operative banking group with well over 3100 offices and a balance sheet total of 46.1 billion hard Dutch guilders (about US \$ 17 billion). This makes Rabobank not just one of the largest banks in Holland, but also the bank with deep roots in almost all sectors of Dutch economic life. We are now ready to expand worldwide with a full range of commercial and investment banking services. And we like to do it in the good Dutch tradition of solidity, with an eye for detail and imagination.

Centrale Rabobank. Dutch Masters in Banking. Telex Holland 40200.

Centrale Rabobank, International Division, St. Jacobsstraat 30, P.O. Box 8098, Utrecht, The Netherlands, Telephone 030-369115.

Advertisement for Los Tres Marineros, S.A. \$16,000,000 8 1/2 Year Ship Finance Loan. Guaranteed by The Dai-Ichi Kangyo Bank, Limited. Managed by Merrill Lynch International Bank Limited. Dai-Ichi Kangyo Bank (Schweiz) A.G. and provided by Merrill Lynch International Bank Limited, Dai-Ichi Kangyo Bank (Schweiz) A.G., Associated Japanese Bank (International) Limited, First International Bancshares Limited, Wells Fargo Bank N.A., World Banking Corporation, Dai-Ichi Kangyo Bank Nederland N.V., Western American Bank (Europe) Limited, Handelsbank N.W. (Overseas) Limited. Agent Bank Merrill Lynch International Bank Limited.

In search of past glories

IF BRISTOL'S West Dock would trade as easily as it has coursed controversy its future prosperity is assured. In a matter of weeks it will begin commercial operations and bring to an end more than a decade of political haggling and rivalry. Since 1964 the city has fought its project from the council chamber to the floor of the House of Commons. It has overcome opposition within the port industry and to date has survived the ravages of inflation. All this in order to build what is destined to be the last enclosed dock ever to be constructed in Britain.

Now all the city has to do is pay for its victory. For the first time in 37 years the ratepayers of Bristol will face a charge on their rates to pay for the development of their port and they will probably have to go on paying until the year 2052. That should be ample time for them to discover whether the building of the £87m West Dock was an act of courage and foresight on the part of the city fathers that has laid the foundations of the future prosperity of the region, or whether it was an act of folly and overweening pride that simply compounded the national over-capacity in ports and landed the city with a greatly increased burden of debts for 55 years.

It is billed as the Motorway Port, and with its own direct link road to the M3 just a few hundred yards from the dock and the M4-M5 intersection a few miles north it can justifiably claim to have the best access to the country's motorway network of any port in the country. The dock offers 4,000 feet of quays, the largest lock in the country—1,200 feet long and 140 feet wide—and the capacity to take ships up to 70,000 ton deadweight.

The possibility of the Port of Bristol being extended has been in the mind of the Port Authority for more than 20 years. According to Mr. Wally

Jenkins, the present chairman of the Bristol Docks Committee and a former Lord Mayor of Bristol: "We have subscribed to the phrase, 'If you don't grow, you die.' But it took ten tortuous years and three applications before the Government finally granted permission for a dock scheme to go ahead.

The first effort, the £27m. Portbury scheme which was submitted in 1964 was for a dock complex more than double the size of the West Dock scheme. From the very beginning the project has been surrounded by political controversy. The first scheme appeared close to acceptance and had received the support of the National Ports Council, when a change of Minister at the Department of Transport halted any hopes of progress. Mrs. Barbara Castle subjected Bristol's plans to the scrutiny of a "gravity model" designed to divine the future pattern of a port's growth according to the gravitational pull exerted by its hinterland.

In common with many pseudo-economic methods, this one failed to take account of many of the factors that have actually influenced port developments in the last 10 years. It failed to recognise that road development and new cargo handling methods were radically changing the pattern of trade. It took no account of the fact that any port can now count on the whole country as its "hinterland."

But Portbury was rejected in July 1966, and a second more modest scheme, West Dock I, at some £15m, was rejected two years later by Mr. Richard Marsh. A parliamentary Bill doggedly promoted by Bristol Corporation suffered no better fate and was thrown out by the House of Commons after passing through the Lords.

It needed a change of Government before yet another scheme, West Dock II, was passed in 1970 by Mr. John Peyton, the Tory Minister of

Transport. But there was a catch: Bristol had to finance the whole enterprise without Government help.

The capital costs for the dock alone have escalated from £12m. to £28m. in the five years of construction—the port is more than a year behind schedule for starting commercial operations—and another £4m. has been spent on dock buildings including the provision of a forest products terminal. Interest has been capitalised over the five-year building period, bringing the grand total to some £37m. and construction claims that are still to be settled could take the total over that. Bristol now faces an annual charge of some £4.9m. for the next 55 years before the loans are paid off.

Only once since 1940 has the Port of Bristol made a loss but under the burden of interest payments it is budgeting this year for a net deficit of more than £5m. For a short while the port's accumulated reserves can help to soften the blow to the ratepayers, who must subsidise the building of the West Dock in the coming year to the tune of £3m. But eventually the new dock could mean that ratepayers in the district of Bristol could face an added levy of some 5p on the rates.

And the burden falls anything but evenly. Another event that overtook the dock building was the reorganisation of local government which left Bristol, once the dominant city authority in the South-West, with the status of only a district along with five others in the County of Avon. The dock is not even located in Bristol district, but in neighbouring Woodspring. Bristol's role as dock authority is an anomaly. "We cannot empty our own dustbins," says Councillor Jenkins, "but we are left to run a dock. We cannot operate our own libraries, but we run an airport."

There is no doubt that the dock is the product more than anything else of a fierce civic pride and an unwillingness to allow Bristol to be separated from its maritime past. Civic pride has caused many cross words to pass between Bristol and its port rivals along the South Wales coast. Mr. John Williams, director of the five South Wales ports of the British Transport Docks Board, feels it is a pity that West Dock has been built at a time when there is over-capacity in the country even for the largest ships. He fears that Bristol might engage in a price-cutting war in order to buy business. "Marginal costing is the sure way to bankruptcy."

But where does Bristol's future lie? Traditional general cargo can be discounted as this would only take away trade from Avonmouth, and major container trade, oil and grain are ruled out by the authority. According to Mr. Stanley Turner, the port's general manager, West Dock is open for almost anything else.

The first signs of possible trouble to come have emerged on the labour front. Throughout the country, dockers are unhappy about the way the pay policy has forced their bonus rates out of step with their basic rates, but at Bristol they have been presented with an ideal weapon for pressing their claims.

The first snag has in fact already entered the West Dock. It was the German coaster Edith Sabban, loaded with the first shipment of Paris for the dock's 40-ton gantry crane—vital to the operation of both the forest products terminal and forthcoming container operations. The port's 1,300 dockers refused to unload the ship and after ten days, during which time the boycott was costing the port some £5,000 a day, the coaster was moved to Avonmouth and the crane parts have been moved to the dock by road. The dispute has been complicated by the resignation of the dockers' shop stewards after the men refused to follow their advice by lifting the boycott.

Mr. Stanley Turner, the port's general manager, is hopeful that dispute will have a "cleansing" effect by ironing out labour problems before commercial operations finally begin. The port must hope that his optimism is justified for labour attitudes could be crucial to persuading industry to set up within the port's industrial development estate.

But the great fillip of attracting TorLine may be offset shortly by the withdrawal of Toyota GB, which appeared keen last year to set up its whole administrative and distribution centre at the West Dock. It is now making a complete reappraisal of the project because of escalating development costs.

If Toyota pulls out it will be a sad blow for the dock's future prospects, because its best hopes rest with attracting bulk

carriers to the port which can develop allied light industries on the hundreds of acres of development land adjacent to the dock. Toyota would fit this bill perfectly.

The future of the remaining four berths remains unclear, but any further purely speculative developments have been ruled out. The dock has been built in a spirit of merchant adventure, but many detractors in the industry now expect that adventure to turn sour as Bristol begins to recognise the price it is paying for it.

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NOTICE OF REDEMPTION

To the Holders of

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V.

9 1/2% Guaranteed Notes Due 1982

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of April 1975 providing for the above Notes, \$1,400,000 principal amount of said Notes bearing the interest set forth below have been selected for redemption on April 15, 1977, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date:

NOTES OF \$1000 EACH	
M-21	4828 4387 6131 8156 10418 12705 14617 15718 18023 20274 22316 24466 26565 28826 31073
24	2168 4371 6184 8178 10421 12735 14690 16237 18096 20346 22377 24529 26671 28966 31261
41	2168 4371 6184 8178 10421 12735 14690 16237 18096 20346 22377 24529 26671 28966 31261
57	2168 4371 6184 8178 10421 12735 14690 16237 18096 20346 22377 24529 26671 28966 31261
74	2203 4432 6236 8247 10491 12850 14755 16320 18179 20411 22460 24619 26778 29073 31368
81	2211 4438 6242 8254 10503 12862 14764 16330 18189 20421 22470 24629 26788 29083 31378
167	2204 4431 6239 8250 10494 12855 14756 16321 18180 20412 22461 24620 26779 29074 31369
182	2204 4431 6239 8250 10494 12855 14756 16321 18180 20412 22461 24620 26779 29074 31369
194	2208 4435 6243 8254 10498 12859 14760 16324 18184 20415 22464 24623 26782 29077 31372
234	2209 4436 6244 8255 10499 12860 14761 16325 18185 20416 22465 24624 26783 29078 31373
249	2210 4437 6245 8256 10500 12861 14762 16326 18186 20417 22466 24625 26784 29079 31374
264	2211 4438 6246 8257 10501 12862 14763 16327 18187 20418 22467 24626 26785 29080 31375
279	2212 4439 6247 8258 10502 12863 14764 16328 18188 20419 22468 24627 26786 29081 31376
294	2213 4440 6248 8259 10503 12864 14765 16329 18189 20420 22469 24628 26787 29082 31377
309	2214 4441 6249 8260 10504 12865 14766 16330 18190 20421 22470 24629 26788 29083 31378
324	2215 4442 6250 8261 10505 12866 14767 16331 18191 20422 22471 24630 26789 29084 31379
339	2216 4443 6251 8262 10506 12867 14768 16332 18192 20423 22472 24631 26790 29085 31380
354	2217 4444 6252 8263 10507 12868 14769 16333 18193 20424 22473 24632 26791 29086 31381
369	2218 4445 6253 8264 10508 12869 14770 16334 18194 20425 22474 24633 26792 29087 31382
384	2219 4446 6254 8265 10509 12870 14771 16335 18195 20426 22475 24634 26793 29088 31383
399	2220 4447 6255 8266 10510 12871 14772 16336 18196 20427 22476 24635 26794 29089 31384
414	2221 4448 6256 8267 10511 12872 14773 16337 18197 20428 22477 24636 26795 29090 31385
429	2222 4449 6257 8268 10512 12873 14774 16338 18198 20429 22478 24637 26796 29091 31386
444	2223 4450 6258 8269 10513 12874 14775 16339 18199 20430 22479 24638 26797 29092 31387
459	2224 4451 6259 8270 10514 12875 14776 16340 18200 20431 22480 24639 26798 29093 31388
474	2225 4452 6260 8271 10515 12876 14777 16341 18201 20432 22481 24640 26799 29094 31389
489	2226 4453 6261 8272 10516 12877 14778 16342 18202 20433 22482 24641 26800 29095 31390
504	2227 4454 6262 8273 10517 12878 14779 16343 18203 20434 22483 24642 26801 29096 31391
519	2228 4455 6263 8274 10518 12879 14780 16344 18204 20435 22484 24643 26802 29097 31392
534	2229 4456 6264 8275 10519 12880 14781 16345 18205 20436 22485 24644 26803 29098 31393
549	2230 4457 6265 8276 10520 12881 14782 16346 18206 20437 22486 24645 26804 29099 31394
564	2231 4458 6266 8277 10521 12882 14783 16347 18207 20438 22487 24646 26805 29100 31395
579	2232 4459 6267 8278 10522 12883 14784 16348 18208 20439 22488 24647 26806 29101 31396
594	2233 4460 6268 8279 10523 12884 14785 16349 18209 20440 22489 24648 26807 29102 31397
609	2234 4461 6269 8280 10524 12885 14786 16350 18210 20441 22490 24649 26808 29103 31398
624	2235 4462 6270 8281 10525 12886 14787 16351 18211 20442 22491 24650 26809 29104 31399
639	2236 4463 6271 8282 10526 12887 14788 16352 18212 20443 22492 24651 26810 29105 31400
654	2237 4464 6272 8283 10527 12888 14789 16353 18213 20444 22493 24652 26811 29106 31401
669	2238 4465 6273 8284 10528 12889 14790 16354 18214 20445 22494 24653 26812 29107 31402
684	2239 4466 6274 8285 10529 12890 14791 16355 18215 20446 22495 24654 26813 29108 31403
699	2240 4467 6275 8286 10530 12891 14792 16356 18216 20447 22496 24655 26814 29109 31404
714	2241 4468 6276 8287 10531 12892 14793 16357 18217 20448 22497 24656 26815 29110 31405
729	2242 4469 6277 8288 10532 12893 14794 16358 18218 20449 22498 24657 26816 29111 31406
744	2243 4470 6278 8289 10533 12894 14795 16359 18219 20450 22499 24658 26817 29112 31407
759	2244 4471 6279 8290 10534 12895 14796 16360 18220 20451 22500 24659 26818 29113 31408
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804	2247 4474 6282 8293 10537 12898 14799 16363 18223 20454 22503 24662 26821 29116 31411
819	2248 4475 6283 8294 10538 12899 14800 16364 18224 20455 22504 24663 26822 29117 31412
834	2249 4476 6284 8295 10539 12900 14801 16365 18225 20456 22505 24664 26823 29118 31413
849	2250 4477 6285 8296 10540 12901 14802 16366 18226 20457 22506 24665 26824 29119 31414
864	2251 4478 6286 8297 10541 12902 14803 16367 18227 20458 22507 24666 26825 29120 31415
879	2252 4479 6287 8298 10542 12903 14804 16368 18228 20459 22508 24667 26826 29121 31416
894	2253 4480 6288 8299 10543 12904 14805 16369 18229 20460 22509 24668 26827 29122 31417
909	2254 4481 6289 8300 10544 12905 14806 16370 18230 20461 22510 24669 26828 29123 31418
924	2255 4482 6290 8301 10545 12906 14807 16371 18231 20462 22511 24670 26829 29124 31419
939	2256 4483 6291 8302 10546 12907 14808 16372 18232 20463 22512 24671 26830 29125 31420
954	2257 4484 6292 8303 10547 12908 14809 16373 18233 20464 22513 24672 26831 29126 31421
969	2258 4485 6293 8304 10548 12909 14810 16374 18234 20465 22514 24673 26832 29127 31422
984	2259 4486 6294 8305 10549 12910 14811 16375 18235 20466 22515 24674 26833 29128 31423
999	2260 4487 6295 8306 10550 12911 14812 16376 18236 20467 22516 24675 26834 29129 31424
1014	2261 4488 6296 8307 10551 12912 14813 16377 18237 20468 22517 24676 26835 29130 31425
1029	2262 4489 6297 8308 10552 12913 14814 16378 18238 20469 22518 24677 26836 29131 31426
1044	2263 4490 6298 8309 10553 12914 14815 16379 18239 20470 22519 24678 26837 29132 31427
1059	2264 4491 6299 8310 10554 12915 14816 16380 18240 20471 22520 24679 26838 29133 31428
1074	2265 4492 6300 8311 10555 12916 14817 16381 18241 20472 22521 24680 26839 29134 31429
1089	2266 4493 6301 8312 10556 12917 14818 16382 18242 20473 22522 24681 26840 29135 31430
1104	2267 4494 6302 8313 10557 12918 14819 16383 18243 20474 22523 24682 26841 29136 31431
1119	2268 4495 6303 8314 10558 12919 14820 16384 18244 20475 22524 24683 26842 29137 31432
1134	2269 4496 6304 8315 10559 12920 14821 16385 18245 20476 22525 24684 26843 29138 31433
1149	2270 4497 6305 8316 10560 12921 14822 16386 18246 20477 22526 24685 26844 29139 31434

On April 15, 1977, the Notes designated above will become due and payable in such currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons, at the office of the Trust Company of New York, Inc., at the office of The Industrial Bank of Japan Finance Company, at the office of The Industrial Bank of Japan (Deutschland) Aktiengesellschaft, Frankfurt am Main, or the office of The Industrial Bank of Japan (Luxembourg) S.A. in Luxembourg, or the office of Banque Generale du Luxembourg S.A. in Luxembourg, or the office of Banque d'Alsace et de Lorraine S.A. in Strasbourg, or the office of Banque de Paris et des Pays-Bas S.A. in Paris, or the office of The Industrial Bank of Japan (Australia) Pty. Ltd. in Sydney, or the office of The Industrial Bank of Japan (Canada) Ltd. in Toronto, or the office of The Industrial Bank of Japan (France) S.A. in Paris, or the office of The Industrial Bank of Japan (Germany) Aktiengesellschaft in Frankfurt am Main, or the office of The Industrial Bank of Japan (Italy) S.p.A. in Milan, or the office of The Industrial Bank of Japan (Japan) Ltd. in Tokyo, or the office of The Industrial Bank of Japan (Netherlands) B.V. in Amsterdam, or the office of The Industrial Bank of Japan (Spain) S.A. in Madrid, or the office of The Industrial Bank of Japan (Switzerland) S.A. in Zurich, or the office of The Industrial Bank of Japan (United Kingdom) Ltd. in London, or the office of The Industrial Bank of Japan (United States) Inc. in New York City, or the office of The Industrial Bank of Japan (Belgium) S.A. in Brussels, or the office of The Industrial Bank of Japan (Austria) Aktiengesellschaft in Vienna, or the office of The Industrial Bank of Japan (Sweden) Aktiefond in Stockholm, or the office of The Industrial Bank of Japan (Denmark) Aktiefond in Copenhagen, or the office of The Industrial Bank of Japan (Norway) Aktiefond in Oslo, or the office of The Industrial Bank of Japan (Finland) Aktiefond in Helsinki, or the office of The Industrial Bank of Japan (Greece) Aktiefond in Athens, or the office of The Industrial Bank of Japan (Portugal) S.A. in Lisbon, or the office of The Industrial Bank of Japan (Spain) S.A. in Madrid, or the office of The Industrial Bank of Japan (France) S.A. in Paris, or the office of The Industrial Bank of Japan (Germany) Aktiengesellschaft in Frankfurt am Main, or the office of The Industrial Bank of Japan (Italy) S.p.A. in Milan, or the office of The Industrial Bank of Japan (Japan) Ltd. in Tokyo, or the office of The Industrial Bank of Japan (Netherlands) B.V. in Amsterdam, or the office of The Industrial Bank of Japan (Spain) S.A. in Madrid, or the office of The Industrial Bank of Japan (Switzerland) S.A. in Zurich, or the office of The Industrial Bank of Japan (United Kingdom) Ltd. in London, or the office of The Industrial Bank of Japan (United States) Inc. in New York City.

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY

Dated: March 9, 1977

NOTICE

The following Notes previously called for redemption have not as yet been presented for payment:

M-139	218	296	1771	255	14231	16484	18422	17178	121
142	226	700	812	2907	3125	14825	16418	17110	121

NOTICE OF REDEMPTION

to the Holders of

The Japan Development Bank

Fifteen Year 5 3/4% Guaranteed External Loan Bonds

Due October 15, 1979

NOTICE IS HEREBY GIVEN that Seven Hundred Forty Five Thousand Dollars (\$745,000) principal amount of The Japan Development Bank, Fifteen Year 5 3/4% Guaranteed External Loan Bonds, October 15, 1979 and bearing the following serial numbers have been drawn for payment of the Sinking Fund for redemption on April 15, 1977:

COUPON BONDS	

ALL STOCKS IN MERSEAS MARKETS decline continued in early trading

IR WALL STREET CORRESPONDENT

CLINB continued on Wall Street attributed to a major cloud hanging over the Dow Jones Industrial Average...

Analysts also believed that a \$37 and Great Lakes Paper \$1 at 123.3, although the parent company...

BRUSSELS—Mostly lower after active trading. Steels declined, Non-Ferrous Metals were mixed...

GERMANY—Mostly lower. Chemicals and Motors were weak. Bayer eased DM10. to 123.3...

Dollar stocks eased, while Dutch Internationals and German shares were barely steady.

HONG KONG—Higher in quiet trading. Hong Kong Bank moved up 20 cents to 17.60...

YOKO—Generally lower, led by export-oriented shares following the yen's sharp rise.

OSLO—Banking and Industrials were slightly easier. Insurances were slightly firmer.

Other Markets: Canada down again. Canadian Stock Markets also lost further ground...

Other Markets: Australia. Australian Stock Markets also lost further ground...

Other Markets: Japan. Japanese Stock Markets also lost further ground...

Other Markets: South Africa. South African Stock Markets also lost further ground...

Other Markets: New Zealand. New Zealand Stock Markets also lost further ground...

Other Markets: Singapore. Singapore Stock Markets also lost further ground...

Other Markets: Hong Kong. Hong Kong Stock Markets also lost further ground...

Other Markets: India. Indian Stock Markets also lost further ground...

INDICES

Table of stock indices for various markets including New York, London, and others, showing high and low values for different periods.

Y.S.E. ALL COMMON

Table of Y.S.E. All Common stock prices and movements for various companies.

MONTEREAL

Table of Montreal stock prices and movements for various companies.

TORONTO COMPOSITE

Table of Toronto Composite stock prices and movements for various companies.

JOHANNESBURG

Table of Johannesburg stock prices and movements for various companies.

VERSEAS SHARE INFORMATION

Large table of overseas share information listing various international stocks and their prices.

YORK

Table of New York stock prices and movements for various companies.

CANADA

Table of Canadian stock prices and movements for various companies.

AMSTERDAM

Table of Amsterdam stock prices and movements for various companies.

BRUSSELS/LUXEMBOURG

Table of Brussels/Luxembourg stock prices and movements for various companies.

STOCKHOLM

Table of Stockholm stock prices and movements for various companies.

COPENHAGEN

Table of Copenhagen stock prices and movements for various companies.

VIENNA

Table of Vienna stock prices and movements for various companies.

MILAN

Table of Milan stock prices and movements for various companies.

SWITZERLAND

Table of Swiss stock prices and movements for various companies.

Pound easier

Sterling lost ground in the foreign exchange market yesterday on nervousness ahead of the vote on a motion of no confidence in the Government in the House of Commons...

There was no evidence of further intervention by the authorities in the forward market, and discounts on the pound against the dollar for forward delivery tended to narrow...

The Japanese yen remained very firm on indications that the Japanese government would allow the currency to appreciate as part of an expected trade agreement...

The dollar showed little change against most other major currencies, but lost ground against the Swiss franc...

Financial markets were mixed, with the pound dropping 12 cents to 2.25 and Mid Mangrup rose 7 cents to 1.82.

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GOLD MARKET

Table of gold market prices and movements for various locations.

FOREIGN EXCHANGES

Table of foreign exchange rates for various currencies.

OTHER MARKETS

Table of other market prices and movements for various commodities.

EXCHANGE CROSS-RATES

Table of exchange cross-rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table of Euro-currency interest rates for various banks and currencies.

FORWARD RATES

Table of forward rates for various currencies and periods.

TOKYO

Table of Tokyo stock prices and movements for various companies.

AUSTRALIA

Table of Australian stock prices and movements for various companies.

BRASIL

Table of Brazilian stock prices and movements for various companies.

OSLO

Table of Oslo stock prices and movements for various companies.

JOHANNESBURG

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Table of industrial stock prices and movements for various companies.

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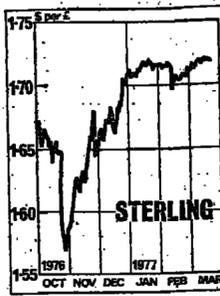
Table of Vienna stock prices and movements for various companies.

MILAN

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SWITZERLAND

Table of Swiss stock prices and movements for various companies.



STERLING

SPECIAL DRAWING RIGHTS RATES

Table of Special Drawing Rights (SDR) rates for various currencies.

EXCHANGE CROSS-RATES

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SWITZERLAND

Table of Swiss stock prices and movements for various companies.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table listing various unit trusts and offshore/overseas funds with columns for fund names, managers, and performance data.

Unit Trust Notebook No.10 Management Charges. Text explaining management charges for unit trusts, including details on initial charges, annual charges, and how they are calculated.

INSURANCE, PROPERTY, BONDS. Table listing various insurance and bond products with columns for product names, providers, and terms.

Unit Trust Association. Contact information and details for the Unit Trust Association, including their address and telephone number.

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EEC summit to be asked to act on steel crisis

BY DAVID BUCHAN

THE European Community's heads of government meeting at this week-end's Rome summit are to be asked to put their full political weight behind a major proposal by the European Commission to cope with the present crisis in the European steel industry.

Viscount Davignon admitted that Brussels had no overall blueprint about how this should be done. It was now only revising its long term 1980-85 general objectives. But the commission would use its powers to check and where necessary obstruct national steel investment programmes if it thought this incompatible with new objectives.

Asked whether the latest British Steel Corporation investment plans fell into this category, Viscount Davignon said that he had been assured by Mr. Gerald Kaufman, Minister at the Department of Industry, that the expansion of Shotton and Port Talbot would be counter-balanced by certain reductions in capacity in the future. N or could the corporation's plan properly be called new. It had been on the stocks since 1970.

The commissioner did not rule out the use of article 4 of the EEC treaty which forbids any state subsidies to steel. This has never been enforced in the past but Viscount Davignon has let it be known privately that he may do so in future. Short of that, the commission can deny EEC funds to projects of which it disapproves.

Viscount Davignon said that the European Coal and Steel Authority will raise about 600m-700m units of account (£366m-£427m.) on the international markets this year to lend to steel companies to rationalise. About half would get increased interest rebates out of EEC funds.

In order to reduce the cost to companies of rationalisation and reconversion, Viscount Davignon said that action to improve present market conditions was needed.

For the first time to-day the commission admitted the plan, in force since the start of the year, which asked companies to voluntarily restrain their sales within the EEC, has had little or no effect in raising prices. So, from early next month the commission intends to introduce a mandatory minimum price for reinforcing bars, where voluntary quotas have been widely flouted. It will post minimum reference prices, which are not binding, for other products.

Also from early next month a system of import licensing will be introduced. Importers will have to produce a contract from a user before this licence is granted.

But Viscount Davignon, who feels that the import problem has been exaggerated, said the licences would be granted automatically and would not amount to administrative harassment. The aim of the licences was to keep better statistical data on imports.

A minimum price for reinforcing bars would not lead to a flood of imports. Viscount Davignon said imports of reinforcing bars accounted for only 3 per cent of EEC consumption, and Brussels would negotiate with third countries to prevent this proportion from rising too much.

EEC exporters, however, must obey the minimum price or be open to charges from third countries of dumping. Blueprint for an industry. Page 5

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Tougher approach urged to beat fraud

By Michael Lafferty, City Staff

AN UNPRECEDENTED call for the Institute of Chartered Accountants to establish an effective disciplinary procedure to deal with complaints against auditors came yesterday from Commander Tom Edwards, head of the company fraud squad of the Metropolitan and City Police. He also called for a complete ban on loans to company directors, and a system of vetting by the Department of Trade of people wanting to be directors of companies.

Cdr. Edwards, who was expressing a personal view, said that the institutes through its various committees had the resources to investigate complaints and impose sanctions against auditors.

"But have these committees got teeth or do they exist to counteract suggestions of action?" he asked.

His remarks come at a time when the accountancy profession is under pressure to improve its investigatory and regulatory powers following severe criticism of major accounting firms in a number of Department of Trade reports.

The Commander, who was speaking at a conference on management fraud organised by the London branch of the Institute of Chartered Accountants, said that accountants could do much more "if they adopted a more positive approach to seeking out fraud. Parliament has not been slow to act and the last line of defence against fraud, he declared.

Complaints

Fraud squad officers were often puzzled why liquidators did not report fraud to the Director of Public Prosecutions. The power was there but it was rarely used.

Explaining that the police had responded to criticism by establishing a special company fraud squad, he said: "Let me commend the concept to you."

Commander Edwards said that white-collar crime was very much on the increase, as more and more hardened criminals engaged in management crime, often by falsifying accounts.

From an initial force of only three officers in 1966, the Metropolitan and City Fraud Squad now had almost 200 officers.

The provision of company loans to directors was one of the most common aspects of company fraud, he said. This also often involved insider dealing and share rigging. The only solution would be a ban on loans to directors, making any breach a criminal offence.

Cdr. Edwards also thought there was a case for some form of vetting for company directors to keep out undesirables. He said that the Companies Act as they stood did not cater sufficiently with the malpractices of these people.

"I genuinely believe that a very substantial amount of fraud could be prevented if these undesirable people were kept out of company management."

Pointing out that gambling club organisers had to be licensed, Cdr. Edwards asked: "Why shouldn't we have a vetting panel, attached to the Department of Trade, to consider people wanting to become company directors?"

Mr. Bill Comyn, a partner in City accountants, Touche Ross, confirmed the police view: "Collusion among errant employees is becoming more common—but more and more the involvement of management, either in the person of an individual or together, in fraudulent activities is becoming apparent."

"Some collusion is a cohesive conspiracy among several people, but the passive acquiescence of those who don't want to get involved is a growing factor in the failure to prevent fraud. It is also a reason for the length of time which has elapsed in many cases between the beginning of a fraud and its eventual discovery."

Fraud might be perpetrated by Boards of directors who were attempting to mislead or defraud shareholders, providers of finance, the tax authorities, or third parties, Mr. Comyn declared. Alternatively, it might be committed by persons acting individually, either employees or directors, who were acting without the knowledge of their Board.

Mr. Den Uyl, the leader of the Labour Party, refused to discuss the issue before making a statement in Parliament later tonight.

The crisis in the Government, which took office in May 1973, comes two months before general elections and stems from a dispute in the five-party coalition over the government's land policy. This has always been one of the most controversial issues dividing the Government and possibly all six, had resigned, forcing the rest of the Cabinet to do likewise.

The question centres on the amount of financial compensation offered by the government to people whose land or property is appropriated by the state for projects such as motorway development.

Although both sides agree in broad agreement that there should be efforts to prevent land speculation in densely populated Holland, the Christian Democrats have said the Socialist proposals could mark the beginning of a programme of land nationalisation. The Dutch public has been somewhat mystified about the cause of the crisis.

THE LEX COLUMN

AP Cement's U. downturn

Associated Portland Cement confused the market yesterday for at first glance it appeared to have fallen short of general expectations with 1976 profits of £45.4m. pre-tax against a restated £38.4m. But APCM's inflation accounting net has now been widened to take in the depreciation provision of its subsidiaries and principal associates. And adding back the £2m. or so that this absorbs leaves the group just about where most people expected it to be, despite a steadily worsening trading picture in the U.K.

Cement prices at home rose by roughly a quarter on average during the first half of last year and about a fifth in the second when deliveries fell by a tenth, and APCM has continued to back away at excess capacity: something like six per cent of total capacity was shut down last year. But margins have stayed under pressure, and as a result U.K. profits before interest have now dropped to 42 per cent of the total, against about 50 per cent in 1975.

Not helped by the wet weather, the U.K. operations are likely to make an even more depressing start to the current year, despite a full year's impact of the big Nigerian and Venezuelan contracts which did so much for the export performance in the second half of 1976. In contrast the overseas operations should continue to move forward.

At this stage it looks as though profits overall in 1977 will be maintained, and with the tax charge edging back up that could conceivably mean earnings per share marginally down on last year's 22.8p. Measured against the 1976 dividend of 7.8 at 195p is still looking towards the second half of 1978 for any real signs of a recovery in U.K. demand. The shares yield 7 1/2 per cent, covered 2.7 times.

The 42 per cent Wallis family holding in F. J. Wallis is reported to have been open to offers for some time, and having decided to pick it up at 66p a share (against 47p in the market on Monday) the BAT subsidiary International Stores gamblers provided the main source of Ladbroke's earnings sector.

High rolling overseas gamblers provided the main source of Ladbroke's earnings sector.

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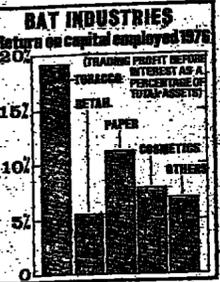
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Index rose 5.0 to 419.4



through a market raid yesterday, taking its holding to just above 50 per cent. Mutterings of discontent are coming from the Wallis Board, but the directors do not have much to bargain with. The cash offer compares with a 1976 low of 23p and the exit p/e is 12.3, while the heavy goodwill element is underlined by the fact that net worth is just 18.4p a share in cash assets including 12p a share in £3.5m. pre-tax on sales of £31m., earned more in 1976 than International, which slipped to £3.1m. on turnover of £298m., and which originally cost BAT £59m. Wallis's return on capital was 45 per cent, against which the overall return on BAT's retailing operations, both home and overseas, was a modest 8 per cent of net assets. These do not seem much chances, however, that Wallis has the kind of management resources which could really have much of an impact on International's rambling chain of 700 or so stores. Wallis is a tightly run operation in a very restricted area of the South-East. For its part, International simply argues that its recent retrenchment programme—its closed some 270 small and uneconomic branches in 1976—has released cash which it is reinvesting in profitable retailing. At least this makes a change from its excursions into loss-makers like Pricerite and Budgen.

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NEB puts £2m. into medical exports

By Margaret Reid

THE National Enterprise Board is putting £2m. into a joint venture with Allied Investments, which runs nursing agencies and nursing homes, for the export of medical equipment.

The move is the second investment in two days by the state-owned NEB, which on Monday injected £240,000 to take a 90 per cent stake in the clock-making concern Thwaites and Reed, and is expected soon to back other ventures.

The NEB, whose chairman is Lord Ryder, is providing £230,000 to buy a 55 per cent shareholding in a new company, United Medical Company International, from Allied Investments, which will retain the rest of the shares. It is also taking up half a million 7 per cent £1 cumulative preference shares in United Medical and providing a loan facility of £1.75m. to that company.

United Medical is aiming particularly at package deal export contracts to plan and equip hospitals overseas, especially, at first, in the Middle East.

Orders arising from Allied Investments' two existing Middle East contracts—for the Corniche Hospital in Abu Dhabi and one at Al Qassim in Sharjah—will be put through the new company.

Dr. Michael Sinclair, managing director of Allied Investments, said yesterday that to compete on equal terms for package-deal hospital contracts with such rivals as Hospital Corporation of America needed substantial backing.

NEB said: "We believe that medical supplies represent a market opportunity that the U.K. is particularly well placed to exploit. However, to penetrate successfully any overseas market calls for a heavy investment of risk capital. In this instance NEB's investment in United Medical should benefit all U.K. medical supply manufacturers."

Asked whether it was suitable for the NEB as the Labour Party's branch, to support a company with private medical interests through nursing homes, the NEB spokesman said: "What we are concerned about is to promote good investment and exports."

Toolmakers to consider Leyland plans to-day

BY ALAN PIKE, LABOUR STAFF

UNOFFICIAL leaders of British Leyland toolroom workers will meet this morning to decide whether proposals for a special working party to examine company-wide industrial relations problems are sufficient to preserve the fragile peace which ended their month-long strike last week.

Yesterday members of the unofficial toolroom committee experienced a mixed reception when they reported back to toolmakers at individual plants on the proposals, outlined at a long meeting between Leyland management, Amalgamated Union of Engineering Workers' officials and committee members in Birmingham on Monday.

Some toolmakers are concerned that their grievances will be lost in the wide-ranging review which Leyland is proposing. It appeared almost certain last night that some members of the committee at to-day's meeting will oppose the idea of putting their faith in the proposed working party to solve their problems. But any move to resume the strike would require a meeting of the 3,000 toolmakers.

In this uncertain situation the Amalgamated Union of Engineering Workers' executive was yesterday faced with a further demonstration of the frustration of its skilled members in the motor industry, this time at Ford.

Several hundred skilled Ford men stopped work in support of the Leyland toolmakers yesterday, and a delegation lobbied the union's London headquarters while the executive was in session.

They warned that industrial action at Ford is "99 per cent" certain later this year unless they secure greater representation in the company's national pay negotiating structure as a step towards restoring differentials.

After meeting the delegation Mr. John Boyd, AUEW general secretary, said their complaint was "really symptomatic of the grave situation which faced skilled car workers whose differentials had been eroded. The AUEW, he promised, was determined to see that any further phase of pay policy made provision for the restoration of differentials."

"To the extent that justifiable differentials are not reinstated we will support our members in strike action," he said.

The executive yesterday approved Leyland's proposals for the composition of the working party which is to look at industrial relations questions. There will be six AUEW representatives

among a total trade union strength of 27 and the executive agreed that at least one should be a toolmaker—certain to be Mr. Roy Fraser, leader of the unofficial strike committee.

The first meeting will be this month and Leyland is looking for agreement on positive changes in pay structure and related issues by July.

Some toolroom leaders seemed willing last night to wait until July in the hope that the working party will find a solution to their grievances over pay differentials and negotiating structure. But others are concerned that the initiative will be lost unless more direct attention is given to the toolroom problem now.

Meanwhile Leyland was hit by a new strike at its SU Carburettor factory in Birmingham over a worker promoted to foreman and returned to the shop floor because of personal problems. Another 41 foremen refused to supervise him and yesterday stopped work.

At the Massey-Ferguson tractor plant, Coventry, 107 gear-box assemblers are staging a two-day token stoppage in a dispute which involves piece-work and share rigging. The only shop-workers opted to join the stoppage, as management could not offer work for them all.

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